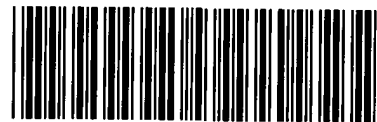

B T R Property Holdings Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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B T R Property Holdings Limited

COMPANY INFORMATION

Directors	T Lambeth M P Hughes
Company secretary	Invensys Secretaries Limited
Registered number	00001122
Registered office	Schneider Electric Stafford Park 5 Telford TF3 3BL
Independent auditor	Mazars LLP Chartered Accountants and Statutory Auditor 45 Church Street Birmingham B3 2RT

B T R Property Holdings Limited

CONTENTS

	Page
Directors' Report	1 - 3
Independent Auditor's Report	4 - 6
Statement of Comprehensive Income	7
Statement of Financial Position	8 - 9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 25

B T R Property Holdings Limited

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Business review

The principal activity of the Company during the year is to manage property leases. During 2019 a lease was surrendered leaving two leases remaining. During 2018 a one off income of £563,000 was received relating to an overage receipt on land sold in a prior year. The remainder of the income received was from the release of surplus provisions.

Results and dividends

The profit for the year, after taxation, amounted to £96,000 (2018 - £1,063,000).

The directors do not recommend the payment of a dividend to the ordinary shareholders in respect of the current year (2018 - £nil).

Directors

The directors who served during the year were:

T Lambeth
M P Hughes

B T R Property Holdings Limited

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Future developments

The directors do not expect any change in the principal activity during the next financial year.

The directors have considered the impact of Brexit, the specific risks for the Company cannot be established due to the uncertainty in how the UK economy will be affected. The directors will continue to monitor the situation closely.

The directors have considered the impact of Covid-19, there is no impact on the Company from the COVID-19 coronavirus.

Going concern

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons.

The Company's day to day working capital requirements are provided by the Schneider Electric group treasury company and the longer term financing is provided by the UK parent undertaking. As with any company placing reliance on other group companies for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based upon the forecasts prepared for the next twelve months and the undertaking of financial support outlined above, and after making appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the Company's annual financial statements.

Qualifying third party indemnity provisions

The ultimate parent company (note 19) made provision throughout the year for all Directors' indemnity.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There is no impact on the Company from the COVID-19 coronavirus.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

B T R Property Holdings Limited

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The directors have also taken advantage of the small companies exemption from preparing a strategic report provided by section 414B of the Companies Act 2006.

This report was approved by the board on 24 April 2020 and signed on its behalf.



T Lambeth
Director

B T R Property Holdings Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF B T R PROPERTY HOLDINGS LIMITED

Independent auditor's report to the members of B T R Property Holdings Limited

Opinion

We have audited the financial statements of B T R Property Holdings Limited (the "Company") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter- Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the Company financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 2, and the consideration in the going concern basis of preparation on page 2 and non-adjusting post balance sheet events on page 2.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the 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.

B T R Property Holdings Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF B T R PROPERTY HOLDINGS LIMITED

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 1, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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.

B T R Property Holdings Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF B T R PROPERTY HOLDINGS LIMITED

Auditor's 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 auditor's 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Louis Burns

Louis Burns (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants and Statutory Auditor

45 Church Street
Birmingham
B3 2RT

Date: 24 April 2020

B T R Property Holdings Limited

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Administrative fees	4	55	1,063
Gross profit	4	<u>55</u>	<u>1,063</u>
Interest receivable and similar income		84	-
Interest payable		(11)	-
Interest expense for leasing arrangements		(32)	-
Profit before tax		<u>96</u>	<u>1,063</u>
Tax on profit	8	-	-
Profit for the financial year		<u>96</u>	<u>1,063</u>
Other comprehensive income:			
Other comprehensive income		-	-
Total comprehensive income for the year		<u>96</u>	<u>1,063</u>

The notes on pages 11 to 25 form part of these financial statements.

IFRS 16 was adopted on 1 January 2019 for statutory reporting, without restating prior year figures. As a result the primary statements are shown on an IFRS 16 basis for 2019 and IAS 17 basis for 2018.

Note 20 provides a reconciliation of the two measures.

B T R Property Holdings Limited
REGISTERED NUMBER: 00001122

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Right of use assets		-	-
		<u>-</u>	<u>-</u>
Current assets			
Debtors: amounts falling due within one year	10	5,753	5,598
Cash at bank and in hand	11	361	108
		<u>6,114</u>	<u>5,706</u>
Creditors: amounts falling due within one year	12	(4,348)	(412)
Net current assets		<u>1,766</u>	<u>5,294</u>
Total assets less current liabilities		<u>1,766</u>	<u>5,294</u>
Creditors: amounts falling due after more than one year	13	(292)	-
		<u>1,474</u>	<u>5,294</u>
Provisions for liabilities			
Other provisions	15	(96)	(4,012)
		<u>(96)</u>	<u>(4,012)</u>
Net assets		<u>1,378</u>	<u>1,282</u>
Capital and reserves			
Called up share capital	16	59,500	59,500
Profit and loss account	17	(58,122)	(58,218)
		<u>1,378</u>	<u>1,282</u>

B T R Property Holdings Limited
REGISTERED NUMBER: 00001122

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

IFRS 16 was adopted on 1 January 2019 for statutory reporting, without restating prior year figures. As a result the primary statements are shown on an IFRS 16 basis for 2019 and IAS 17 basis for 2018.

Note 20 provides a reconciliation of the two measures.

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 April 2020.



T Lambeth
Director

The notes on pages 11 to 25 form part of these financial statements.

B T R Property Holdings Limited

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2018	59,500	(59,281)	219
Comprehensive income for the year			
Profit for the year	-	1,063	1,063
At 1 January 2019	59,500	(58,218)	1,282
Comprehensive income for the year			
Profit for the year	-	96	96
At 31 December 2019	59,500	(58,122)	1,378

The notes on pages 11 to 25 form part of these financial statements.

B T R Property Holdings Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

The financial statements of B T R Property Holdings Limited (the "Company") for the year ended 31 December 2019 were authorised for issue by the board of directors on 24 April 2020 and the statement of financial position was signed on the board's behalf by Trevor Lambeth. B T R Property Holdings Limited is a private limited company incorporated by shares and domiciled in England and Wales.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in accordance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The results of B T R Property Holdings Limited are included in the consolidated financial statements of Schneider Electric SE which are available to the public and can be obtained as set out in note 19.

The following principal accounting policies have been applied:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- 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

For certain disclosure exemptions listed above the equivalent disclosures are included in the consolidated financial statements of Schneider Electric SE which are available to the public and can be obtained as set out in note 19.

2.3 Impact of new international reporting standards, amendments and interpretations

The adoption of the following mentioned standards, amendments and interpretations in the current year have had a material impact on the Company's financial statements for the year ended 31 December 2019 (note 20):

Endorsed	EU effective date - periods beginning on or after
Amendments to IFRS 16 Leases	1 January 2019

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.3 Impact of new international reporting standards, amendments and interpretations (continued)

The standard IFRS 16 - Leases, adopted by European Union on 31 October 2017, replaces mainly the standards IAS 17 - Leases, which classified leases as operating leases, and IFRIC 4 - Determining whether an Arrangement contains a Lease, and is mandatory starting 1 January 2019. The standard establishes principles for the recognition, valuation, presentation, and disclosure of leases and requires lessees to account for all leases on the balance sheet using a single model, in the form of a right-of-use asset, with a lease obligation counterpart. The Company has adopted IFRS 16 on 1 January 2019, according to the simplified transition approach, comparative years data is not restated.

Scope of the Company contracts

The lease contracts identified within the Company fall under the following categories:

- land & buildings: office buildings, factory, and warehouse.

The accounting principles below are effective for annual periods beginning on 1 January 2019. IAS 17 still applies for 2018 comparative period.

The Company has applied a unique accounting and valuation approach for all leases. The standard provides specific transition requirements and practical solutions that have been applied. The Company has recognized right-of-use assets and lease liabilities for contracts previously classified as operating leases under the principles of IAS 17 Leases. Payments made under operating leases (net of incentives received from Lesser) were charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease. Lease liabilities have been recognized based on the present value of the remaining lease payments, discounted using the marginal borrowing rate at the date of the first application. Assets related to the right-of-use of operating leases have been recognized based on an amount equal to the lease liability of the contract at transition date, adjusted for any prepaid or outstanding rents.

The Company has also applied the following simplification measures, available in the standard:

- application of IFRS 16 accounting model only to contracts previously identified as leases according to IAS 17 and IFRIC 4,
- single discount rate for a portfolio of leases with relatively similar characteristics,
- exemption for contracts with a residual enforceable term on 1 January 2019, of less than 12 months,
- exclusion of initial direct costs from the valuation of the right-of-use asset at the date of the first application,
- inclusion of the evaluation of contracts carried out immediately before 1 January 2019, by applying IAS 37 to determine whether certain contracts are in deficit (adjustment of the right-of-use asset if applicable) as an alternative to the depreciation review according to IAS 36.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.4 Measurement and recognition of leases

Rental obligation

At the inception date of the lease, the Company recognizes the lease liabilities, measured at the present value of the lease payments to be made over the term of the lease. The present value of payments is calculated using the marginal borrowing rate at the contract starting date. Rental payments include fixed payments (net of rental incentives receivable), variable payments based on an index or rate and amounts that should be paid under residual value guarantees. The simplification allowing not to split services components has not been elected by the Company. Therefore, only the rents are taken into account in the lease payments. Lease payments also include, when applicable, the exercise price of a purchase option reasonably certain to be exercised by the Company and the payment of penalties for the termination of a lease, if the term of the lease takes into account the fact that the Company has exercised the termination option. Variable lease payments that are not dependent on an index or rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs. After the start date of the contract, the amount of rental obligations is increased to reflect the increase in interest and reduced for lease payments made. In addition, the carrying amount of the lease liabilities is revalued in the event of a reassessment or modification in the lease (e.g. change in the term of the lease, change in lease payments, application of annual indexation, etc.).

Right-of-use assets

The Company accounts for the assets related to the right-of-use on the start date of the lease (i.e. the date on which the underlying asset is available). Assets are measured at cost, less accumulated amortization and impairment losses, and adjusted for the revaluation of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities, initial direct costs incurred and lease payments made on or before the effective date, minus lease inducements received. Unless the Company is reasonably certain that it will become the owner of the leased asset at the end of the lease term, the recorded right-of-use assets are depreciated using the linear method over the shortest period of time between estimated life of the underlying asset and the duration of the lease. The assets related to the right-of-use are subject to depreciation.

Determining the duration of contracts

The land and buildings contracts have durations of 1 - 2 years. The Company's land and buildings contracts offer unilateral options for termination of contracts in break clauses. Thus, in determining the length of time to be used to calculate the rental obligation, the Company determines the enforceable duration of the contract (maximum term) and takes into account break clause options if the Company is not reasonably certain that they will extend the contract beyond the option date. This estimate is made in collaboration with the Company's Property Department, which determines the land and buildings strategy. In the majority of cases, the duration chosen is the enforceable duration of the land and buildings contracts. In addition, the Company also holds tacit renewal contracts that are not enforceable (the taker and the lessor may break the contracts by respecting a notice of less than one year). These contracts are exempted under the short-term criteria as they are non-binding beyond the notice period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.5 Going concern

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons.

The Company's day to day working capital requirements are provided by the Schneider Electric group treasury company and the longer term financing is provided by the UK parent undertaking. As with any company placing reliance on other group companies for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based upon the forecasts prepared for the next twelve months and the undertaking of financial support outlined above, and after making appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the Company's annual financial statements.

2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

The Company has contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company adjusts the transaction prices of these contracts for the time value of money.

Rendering of services

Revenue from providing services is recognised in the accounting period in which the services are rendered.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.9 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.10 Debtors

Short term debtors are measured at transaction price, less any expected credit loss (ECL). Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any ECL.

2.11 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.14 Provisions

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows when the effect of the time value of money is material.

2.15 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

Fair value through profit or loss

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The following are critical judgments that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Discount rate used to determine the carrying amount of the company's onerous lease provision:

The discount rate of 7.6% has been used to calculate the present value of future cash flows. The discount rate is the WACC of the Schneider Electric group adjusted for the UK market.

Discount rate used to determine the carrying amount of the company's right-of-use assets:

The weighted average marginal loan rate of 2.75% has been used to discount right of use asset values. The rate is the weighted average marginal loan rate of the Schneider Electric group adjusted for the UK market.

If the discount rate was increased by 0.05% the liability would decrease by £4,600.

If the discount rate was decreased by 0.05% the liability would increase by £4,600.

For judgments for IFRS 16 right of use assets please see notes 2.3 and 2.4.

B T R Property Holdings Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Operating profit

The operating profit is stated after charging:

	2019	2018
	£000	£000
Overage from land sale in prior year	-	563
Depreciation of right of use assets	615	-
Impairment of right of use assets	825	-
	<u><u> </u></u>	<u><u> </u></u>

5. Auditor remuneration

The auditor's remuneration is paid by a fellow subsidiary of the Schneider Electric Group.

6. Employees

There were no employees during the period (2018 - nil).

7. Directors' remuneration

During the period, no director received any emoluments (2018 - £nil).

8. Taxation

	2019	2018
	£000	£000
Total current tax	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
Deferred tax	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
Total deferred tax	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
Taxation on profit on ordinary activities	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

B T R Property Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%). The differences are explained below:

	2019 £000	2018 £000
Profit on ordinary activities before tax	96	1,063
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	18	202
Effects of:		
Movement in unrecognised deferred tax asset	-	(107)
Utilisation of tax losses	(18)	(95)
Total tax charge for the year	-	-

Factors that may affect future tax charges

As a UK resident company in the Schneider Electric group the Company is eligible to surrender UK group relief to, or claim UK group relief from, other Schneider Electric group companies. These claims and/or surrenders may be made with or without charge.

Deferred taxation

No deferred tax assets/(liabilities) are recognised or provided for in the statement of financial position. The deferred tax assets have not been recognised since there is no persuasive evidence that there will be suitable taxable profits against which the timing differences will reverse. It is unlikely that the assets will be recoverable once suitable taxable profits are generated.

B T R Property Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

9. Right of Use Assets

	Land & Buildings £000
Cost	
At 31 December 2018	-
Addition due to change in accounting policy (Note 20)	1,440
Restated cost at 31 December 2018 and 31 December 2019	<u>1,440</u>
Depreciation	
At 31 December 2018	-
Charge for the year on right of use assets	615
Impairment charge	825
At 31 December 2019	<u>1,440</u>
Net book value	
At 31 December 2019	<u><u>-</u></u>

B T R Property Holdings Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Debtors

	2019	2018
	£000	£000
Trade debtors	43	4
Amounts owed by group undertakings	5,672	5,594
Other debtors	38	-
	<u>5,753</u>	<u>5,598</u>

Amounts owed by group undertakings bear interest at LIBOR +0.75% (2018: 0%) and are repayable on demand.

11. Cash and cash equivalents

	2019	2018
	£000	£000
Cash at bank and in hand	360	108
	<u>360</u>	<u>108</u>

12. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Amounts owed to group undertakings	3,770	311
Other taxation and social security	-	101
Lease creditor right of use asset	578	-
	<u>4,348</u>	<u>412</u>

Amounts owed to group undertakings are £1,717,000 (2018:£292,000) unsecured, bear interest at LIBOR +0.75% (2018:0%) and are repayable on demand and £2,053,000 (2018: £5,000) which is unsecured, interest free and repayable on demand.

B T R Property Holdings Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Creditors: Amounts falling due after more than one year

	2019 £000	2018 £000
Lease creditor right of use asset (Note 20)	292	-
	<u>292</u>	<u>-</u>

14. Financial instruments

	2019 £000	2018 £000
Financial assets		
Financial assets measured at fair value through profit or loss	360	108
Financial assets that are debt instruments measured at amortised cost	5,750	5,598
	<u>6,110</u>	<u>5,706</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(3,770)</u>	<u>(412)</u>

15. Provisions

	Onerous lease provision £000
At 1 January 2019	4,012
Utilised in year	(3,916)
At 31 December 2019	<u><u>96</u></u>

A provision is recognised for onerous lease rentals and dilapidations in respect of sub-let and vacant properties. It is expected that costs will be incurred evenly over the remaining life of the two leases, of up to 2 years.

B T R Property Holdings Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. Share capital

	2019	2018
	£000	£000
Allotted, called up and fully paid		
59,500,000 (2018 - 59,500,000) Ordinary shares of £1.00 each	59,500	59,500

Ordinary shares carrying one vote per share, are entitled to participate equally in dividends and, if the Company is wound up, share in the proceeds of the Company's assets after all the debts have been paid.

17. Reserves

Profit & loss account

The profit and loss account reserve represents accumulative profits and losses of the Company.

18. Related party transactions

The company is a wholly owned subsidiary of Schneider Electric SE and has taken advantage of the exemption conferred by the Financial Reporting Standard FRS 101 Reduced Disclosure Framework (FRS 101) not to disclose transactions with Schneider Electric SE or its subsidiaries.

19. Controlling party

The immediate parent undertaking of B T R Property Holdings Limited is BTR Industries Limited, a company registered in England and Wales.

The smallest and largest group in which the financial statements of the company are consolidated is that headed by the ultimate parent undertaking and ultimate controlling party, Schneider Electric SE, a company incorporated in France. Copies of the accounts of Schneider Electric SE can be obtained from Schneider Electric SE, 35, Rue Joseph Monier, F-92506 RUEIL MALMAISON, France.

The statutory accounts for Schneider Electric SE can be accessed at the following website address:
<http://www.schneider-electric.com/en/about-us/investor-relations/>.

B T R Property Holdings Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

20. Effects of the adoption of IFRS16

Key effects of the application of IFRS 16 on 1 January 2019.

Reconciliation between the rental obligation on 1 January 2019, and operating lease commitments presented under IAS 17 as of 31 December 2018:

	£'000
Commitments relating to the operating leases as of 31 December 2018	6,716
Weighted average marginal loan rate as of 1 January 2019	2.75%
Discounted obligations on simple lease contracts as of 31 December 2018	6,453
Less :	
Obligations linked to lease surrendered in 2019	(5,013)
Lease obligations as of 1 January 2019	<u>1,440</u>

Amounts recognised on the 2019 statements of Comprehensive Income and Financial Position

The amounts of the assets and liabilities related to the Company's leases, as well as movements during the period are as follows:

	Land & Buildings	Lease Liability
	£'000	£'000
01 January 2019	1,440	1,440
Increase		-
Amortization (included in administration fees in profit and loss)	(615)	-
Impairment for onerous lease	(825)	
Interests (included in interest expense in profit and loss)		32
Payments (included in administration fees in profit and loss)		(637)
Adjustments		35
31 December 2019	<u>-</u>	<u>870</u>
of which creditors due within one year		578
of which creditors due 1 - 2 year		<u>292</u>