

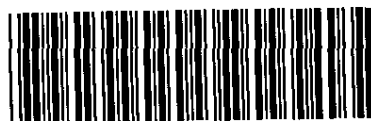
Registration number: 07398971

17-19 Bedford Street Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2019

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17-19 Bedford Street Limited

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17-19 Bedford Street Limited

Strategic Report for the Year Ended 31 March 2019

The directors present their Strategic Report for the year ended 31 March 2019.

Business review and principal activities

17-19 Bedford Street Limited ("the company") is a wholly owned subsidiary of The British Land Company PLC and operates as a constituent of The British Land Company PLC group of companies ("the group").

The company's principal activity is property trading in the United Kingdom (UK).

As shown in the company's Profit and Loss Account on page 5, the company's turnover of £1,048,195 has decreased by £116,821 compared with turnover of £1,165,016 in the prior year.

Profit on ordinary activities before taxation is £461,247 compared to a loss on ordinary activities before taxation of £181,296 in the prior year.

Dividends of £nil (2018: £nil) were paid in the year.

The Balance Sheet on page 7 shows that the company's financial position at the year end has, in net assets terms, increased compared with the prior 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.

17-19 Bedford Street Limited

Strategic Report for the Year Ended 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 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.

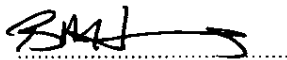
These opportunities also represent risks, the most significant being change to the value of the property portfolio. This risk has high visibility to directors and is considered and managed on a continuous basis. Directors use their knowledge and experience to knowingly accept a measured degree of market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

Approved by the Board on 11 October 2019 and signed on its behalf by:



B. JAMES

British Land Company Secretarial Limited
Company secretary

17-19 Bedford Street Limited

Directors' Report for the Year Ended 31 March 2019

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

Directors of the company

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

S M Barzycki

T A Roberts (resigned 31 March 2019)

P S Macey

J C McNuff

C J Middleton

N M Webb

J F Taylor (resigned 31 March 2019)

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.

Directors' indemnities

The company indemnified one or more of its directors during the financial year. The indemnity arrangements were qualifying indemnity provisions under the Companies Act 2006. As a result of director changes during the year, these indemnity arrangements are no longer in force at the date of this Annual Report.

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

17-19 Bedford Street Limited

Directors' Report for the Year Ended 31 March 2019 (continued)

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.

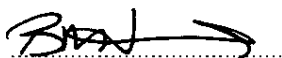
Subsequent Events

Details of significant events since the Balance Sheet date, if any, are contained in note 13.

Audit exemption taken for the year ended 31 March 2019

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 165 and 166 of The British Land Company PLC Annual Report and Accounts 2019. The ultimate holding company and controlling party is The British Land Company PLC.

Approved by the Board on 11 October 2019 and signed on its behalf by:



B. JAMES
British Land Company Secretarial Limited
Company secretary

17-19 Bedford Street Limited

Profit and Loss Account for the Year Ended 31 March 2019

		(As restated)	
	Note	2019 £	2018 £
Turnover	4	1,048,195	1,165,016
Cost of sales		<u>(586,948)</u>	<u>(1,346,312)</u>
Operating profit/(loss)		<u>461,247</u>	<u>(181,296)</u>
Profit/(loss) on ordinary activities before taxation		461,247	(181,296)
Taxation	6	<u>-</u>	<u>-</u>
Profit/(loss) for the year		<u>461,247</u>	<u>(181,296)</u>

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

The notes on pages 9 to 15 form an integral part of these financial statements.

17-19 Bedford Street Limited

Statement of Comprehensive Income for the Year Ended 31 March 2019

	2019	2018
	£	£
Profit/(loss) for the year	<u>461,247</u>	<u>(181,296)</u>
Total comprehensive income for the year	<u><u>461,247</u></u>	<u><u>(181,296)</u></u>

The notes on pages 9 to 15 form an integral part of these financial statements.

17-19 Bedford Street Limited

(Registration number: 07398971)

Balance Sheet as at 31 March 2019


	Note	31 March 2019 £	31 March 2018 £
Current assets			
Trading Properties	7	16,959,272	16,948,139
Debtors	8	<u>152,477</u>	<u>91,713</u>
		17,111,749	17,039,852
Creditors due within one year	9	<u>(12,577,859)</u>	<u>(12,967,209)</u>
Net assets		<u><u>4,533,890</u></u>	<u><u>4,072,643</u></u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account		<u>4,533,889</u>	<u>4,072,642</u>
Total shareholders' funds		<u><u>4,533,890</u></u>	<u><u>4,072,643</u></u>

For the financial year ending 31 March 2019 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.

Approved by the Board on 11 October 2019 and signed on its behalf by:



~~J.G. McNuff~~ C Middleton

Director

The notes on pages 9 to 15 form an integral part of these financial statements.

17-19 Bedford Street Limited

Statement of Changes in Equity for the Year Ended 31 March 2019

	Share capital £	Profit and loss account £	Total £
Balance at 1 April 2017	1	4,253,938	4,253,939
Loss for the year	-	(181,296)	(181,296)
Total comprehensive expense for the year	-	(181,296)	(181,296)
Balance at 31 March 2018	1	4,072,642	4,072,643
Balance at 1 April 2018	1	4,072,642	4,072,643
Profit for the year	-	461,247	461,247
Total comprehensive income for the year	-	461,247	461,247
Balance at 31 March 2019	1	4,533,889	4,533,890

The notes on pages 9 to 15 form an integral part of these financial statements.

17-19 Bedford Street Limited

Notes to the Unaudited Financial Statements for the Year Ended 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 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").

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. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

Summary of disclosure exemptions

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

- (a) The requirements of IAS 1 to provide a Balance Sheet at the beginning of the year in the event of a prior year adjustment;
- (b) The requirements of IAS 1 to provide a Statement of Cash flows for the year;
- (c) The requirements of IAS 1 to provide a statement of compliance with IFRS;
- (d) The requirements of IAS 1 to disclose information on the management of capital;
- (e) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose new IFRS's that have been issued but are not yet effective;
- (f) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (g) The requirements of paragraph 17 of IAS 24 Related Party Disclosures to disclose key management personnel compensation;
- (h) The requirements of IFRS 7 to disclose financial instruments; and
- (i) The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement to disclose information of fair value valuation techniques and inputs.

Notes to the Unaudited Financial Statements for the Year Ended 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 14.

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. The quantitative impact for the year ended 31 March 2019 upon application of this new accounting policy for assessing asset impairment, has been to recognise an expected credit loss of £158,987, with a corresponding reduction in financial assets held at amortised cost of £158,987, as shown in note 8 to the financial statements. Adoption of IFRS 9 has not had any other material impacts on the financial statements of the company.

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 resulted in a reclassification between turnover and cost of sales in order to present service charge income and expense gross within the profit and loss account. A prior year restatement of comparatives has been reflected in the profit and loss account and related note 4 to align with the change in classification of service charge income. 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 directors consider that the company has adequate resources to continue trading for the foreseeable future, with no external borrowings and a working capital cycle enabling the company to meet all liabilities as they fall due.

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

17-19 Bedford Street Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2019 (continued)

2 Accounting policies (continued)

Turnover

Rental income from trading 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.

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

Taxation

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

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.

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.

17-19 Bedford Street Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2019 (continued)

2 Accounting policies (continued)

Trading properties

Trading properties are stated at the lower of cost and net realisable value. Any deficit arising in revaluation below cost for trading properties is recognised in the income statement.

Where revenue is obtained from the sale of trading properties, it is recognised when the significant risks and returns have been transferred to the buyer. This will normally take place on exchange of contracts. Profit is recorded as the contracted consideration less the most recent book value of the trading property sold less any associated selling costs. The book value of the trading property is defined as the lower of cost and the most recent valuation.

Creditors

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

3 Significant accounting judgements and key sources of estimation uncertainty

There are no such relevant judgements or estimates.

4 Turnover

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

	(As restated)	
	2019	2018
	£	£
Rental income from trading properties	1,106,580	620,752
Spreading of tenant incentives and guaranteed rent increases	(66,867)	323,229
Service charge income	8,482	221,035
	<u>1,048,195</u>	<u>1,165,016</u>

Adoption of IFRS 15 has resulted in a reclassification between turnover and cost of sales in order to present service charge income and expense gross within the profit and loss account. A prior year restatement of comparatives has been reflected in the profit and loss account and above to align with the change in classification of service charge income. See accounting policy section for a more detailed explanation.

5 Staff costs

No director (2018: £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 (2018: nil).

17-19 Bedford Street Limited

**Notes to the Unaudited Financial Statements for the Year Ended 31 March 2019
(continued)**

6 Tax on profit on ordinary activities

	2019 £	2018 £
Current taxation		
UK corporation tax	-	-
Tax charge in the profit and loss account	-	-

	2019 £	2018 £
Tax reconciliation		
Profit/(loss) on ordinary activities before taxation	461,247	(181,297)
Tax on profit/(loss) on ordinary activities at UK corporation tax rate of 19% (2018: 19%)	87,637	(34,446)
Effects of:		
Expenses not allowable	5,697	5,883
Group relief	(93,334)	28,563
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.

7 Trading properties

	31 March 2019 £	31 March 2018 £
Trading properties	16,959,272	16,948,139

Trading properties were valued at the lower of cost or valuation as at 31 March 2019. The market value of the property is considered to be significantly higher than cost in both years, hence the trading property has been carried at cost in both the current and previous period ends. The movement in the year is due entirely to capital additions. The 31 March 2019 valuation was performed by Cushman & Wakefield LLP on the basis of Market Value, in accordance with the RICS Valuation - Professional Standards 2014, Ninth Edition, published by The Royal Institution of Chartered Surveyors.

Included within cost of sales is £nil relating to trading property sales (2018: £nil). Trading properties write downs of £nil have been expensed in the year (2018: £nil).

17-19 Bedford Street Limited

**Notes to the Unaudited Financial Statements for the Year Ended 31 March 2019
(continued)**

8 Debtors

	31 March 2019 £	31 March 2018 £
Trade debtors	299,360	-
Provision for impairment of trade debtors	<u>(158,987)</u>	<u>-</u>
Net trade debtors	140,373	-
Prepayments	1,608	4,237
Other debtors	10,496	10,561
VAT	<u>-</u>	<u>76,915</u>
	<u>152,477</u>	<u>91,713</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.

9 Creditors due within one year

	31 March 2019 £	31 March 2018 £
Trade creditors	42,782	47,370
Accrued expenses	401,826	255,410
Amounts due to related parties	12,118,954	12,664,429
Social security and other taxes	<u>14,297</u>	<u>-</u>
	<u>12,577,859</u>	<u>12,967,209</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.

17-19 Bedford Street Limited

**Notes to the Unaudited Financial Statements for the Year Ended 31 March 2019
(continued)**

10 Share capital

Allotted, called up and fully paid shares

	No.	31 March 2019 £	No.	31 March 2018 £
Ordinary shares of £1 each	1	1	1	1

11 Capital commitments

The total amount contracted for but not provided in the financial statements was £nil (2018: £nil).

12 Contingent liabilities

The company had no contingent liabilities as at 31 March 2019 (2018: £nil).

13 Subsequent events

There have been no significant events since the year end.

14 Parent and ultimate parent undertaking

The immediate parent company is BL Residual 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.