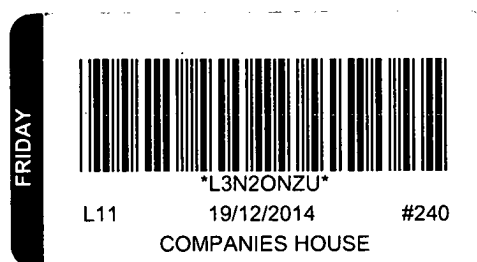

10 Brock Street Limited

Annual Report and Accounts

Year ended 31 March 2014



Company number: 7401699

10 Brock Street Limited

STRATEGIC REPORT for the year ended 31 March 2014

The directors present their strategic report for the year ended 31 March 2014.

Principal activities

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).

Business review

As shown in the company's Profit and Loss Account on page 6, the company's turnover increased from a nil balance in the prior year to £6.7m in the current year while the company generated a profit before tax of £66.6m compared to £54.0m in the prior year. The primary driver of the significant movement in profit before tax is the £65.0m of revaluation gains recognised in the year ended 31 March 2014 compared to £54.0m in the year ended 31 March 2013.

Dividends of £nil (2013: £nil) were paid in the year.

The balance sheet on page 8 shows that the company's financial position at the year-end is, in net asset terms, a significant increase from the prior year.

The value of investment properties held as at 31 March 2014 increased by £87.4m due primarily to a revaluation gain of £65.0m as shown in note 9 to the company's balance sheet.

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.

During the year, the company transitioned from UK GAAP to FRS 101 - Reduced Disclosure Framework and has taken advantage of disclosure exemptions allowed under this framework. The Company's parent undertaking, BL Office (Non-City) Holding Company Limited, was notified and did not object to the use of EU-adopted IFRS disclosure exemptions. The impact of the adoption of this framework was as follows:

IAS 17 requires that all letting fees be capitalised as incurred and amortised over the term of the lease. The results for the year ended 31 March 2013 have been restated to incorporate the change in the amortisation period.

Under IAS 23, when accounting for the capitalisation of borrowing costs, interest is capitalised to the development asset at subsidiary level. The development asset is then revalued to bring the value back to the level it was pre-capitalisation. In accordance with IAS 40, revaluation movements are taken to the Profit and Loss Account as opposed to a revaluation reserve. The journals posted in respect of the capitalised interest represent the only historical adjustments posted in light of the transition to FRS 101 that impacted the net assets of the company. See Note 2 to the Financial Statements for a quantification of these historical adjustments.

Another significant impact of the transition to FRS 101 is that revaluation movements in investment properties are now presented on the face of the profit and loss account as opposed to through the Statement of Total Recognised Gains and Losses under UK GAAP.

**STRATEGIC REPORT
for the year ended 31 March 2014**

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 senior executives and is considered and managed on a continuous basis. Executives 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 company has no third party debt. It therefore has no interest rate exposure.

This report was approved by the Board on 18th December 2014.



N Ekpo
Secretary

**REPORT OF THE DIRECTORS
for the year ended 31 March 2014**

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report for the year ended 31 March 2014.

Environment

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 corporate responsibility report is available online at www.britishland.com/responsibility/reports-and-publications/2014

Directors

The directors who served during the year were:

A Braine (resigned 31 July 2014)
S M Barzycki
S G Carter
C M J Forshaw
B T Grose
L M Bell
T A Roberts
J Vandevivere
N M Webb

Directors' responsibilities statement

The directors are responsible 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 elected to prepare the financial statements in accordance with 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 Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; 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. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Payments policy

In the absence of dispute, amounts due to trade and other suppliers are settled as expeditiously as possible within their terms of payment. Payments are administered on a consistent basis throughout the group by The British Land Company PLC whose suppliers' days outstanding at 31 March 2014 were 32 (2013 : 29).

Subsequent events

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

Going concern

The directors consider the company to be a going concern and the accounts are prepared on this basis. Details of this are shown in note 1 of the financial statements.

10 Brock Street Limited

**REPORT OF THE DIRECTORS
for the year ended 31 March 2014**

Disclosure of information to Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- (b) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Deloitte LLP was the auditor of the company for the year ended 31 March 2014. Subsequent to the year end PricewaterhouseCoopers LLP was appointed auditor for the year ending 31 March 2015.

This report was approved by the Board on 18th December 2014.



N Ekpo
Secretary

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
10 Brock Street Limited
for the year ended 31 March 2014**

We have audited the financial statements of 10 Brock Street Limited for the year ended 31 March 2014 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet and the Statement of Changes in Equity and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 101 Reduced Disclosure Framework.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


William Crane BSc ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, UK

19 December 2014

10 Brock Street Limited

Profit and Loss Account
for the year ended 31 March 2014

	Note	2014 £	2013 £
Turnover	3	9,591,213	-
Cost of sales		(801,568)	(5,938)
Gross profit (loss)		<u>8,789,645</u>	<u>(5,938)</u>
Administrative expenses		(1,264,367)	-
Amortisation		-	-
Write up (down) of investments	10	-	-
Dividends receivable		-	-
Operating profit (loss)		<u>7,525,278</u>	<u>(5,938)</u>
Revaluation of investment properties	9	64,991,706	53,974,262
Profit on disposal of investment properties		-	-
Profit on disposal of investments		-	-
Profit on ordinary activities before interest		<u>72,516,984</u>	<u>53,968,324</u>
Interest receivable	4	-	-
Interest payable	5	(5,938,649)	-
Profit on ordinary activities before taxation	6	<u>66,578,335</u>	<u>53,968,324</u>
Taxation	8	-	-
Profit for the financial year		<u><u>66,578,335</u></u>	<u><u>53,968,324</u></u>

10 Brock Street Limited

**STATEMENT OF OTHER COMPREHENSIVE INCOME
for the year ended 31 March 2014**

	2014	2013
	£	£
Profit for the financial year	66,578,335	53,968,324
Items that will not be subsequently reclassified to profit and loss account:		
Gains (losses) on cash flow hedges	-	-
Realisation of prior year revaluations	-	-
Deferred tax taken to equity	-	-
Income tax relating to items not reclassified	-	-
Total comprehensive income for the year	<u>66,578,335</u>	<u>53,968,324</u>

10 Brock Street Limited

BALANCE SHEET
as at 31 March 2014

	Note	2014 £	2013 £	2012 £
Fixed assets				
Investment properties	9	352,400,000	265,000,000	134,981,453
Investments	10	-	-	-
		<u>352,400,000</u>	<u>265,000,000</u>	<u>134,981,453</u>
Current assets				
Debtors - due within one year	11	2,832,996	3,093,773	2,553,937
Cash at bank and in hand		-	-	-
		<u>2,832,996</u>	<u>3,093,773</u>	<u>2,553,937</u>
Creditors due within one year	12	<u>(217,290,364)</u>	<u>(196,729,476)</u>	<u>(121,539,417)</u>
Net current liabilities		<u>(214,457,368)</u>	<u>(193,635,703)</u>	<u>(118,985,480)</u>
Total assets less current liabilities		<u>137,942,632</u>	<u>71,364,297</u>	<u>15,995,973</u>
Creditors due after one year	13	-	-	-
Net assets		<u><u>137,942,632</u></u>	<u><u>71,364,297</u></u>	<u><u>15,995,973</u></u>
Capital and reserves				
Called up share capital	14	1	1	1
Profit and loss account		<u>137,942,631</u>	<u>71,364,296</u>	<u>17,395,972</u>
Shareholders' funds		<u><u>137,942,632</u></u>	<u><u>71,364,297</u></u>	<u><u>17,395,973</u></u>

The financial statements of 10 Brock Street Limited, company number 7401699, were approved and authorised for issue by the Board of Directors on 18th December 2014 and signed on its behalf by:

Director

CHRIS FORSHAW

10 Brock Street Limited

**STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2014**

	Called up share capital £	Profit and Loss Account £	Total Equity £
Balance at 1 April 2012	1	17,395,972	17,395,973
Profit (Loss) for the financial year	-	53,968,324	53,968,324
Total comprehensive income for the year	-	53,968,324	53,968,324
Share Issues	-	-	-
Dividends payable in year	-	-	-
Balance at 31 March 2013	1	71,364,296	71,364,297
Profit (Loss) for the financial year	-	66,578,335	66,578,335
Total comprehensive income for the year	-	66,578,335	66,578,335
Share Issues	-	-	-
Dividends payable in year	-	-	-
Balance at 31 March 2014	1	137,942,631	137,942,632

10 Brock Street Limited

Notes to the accounts for the year ended 31 March 2014

1. Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and preceding year.

These financial statements are designed to cover a wide variety of companies and circumstances. As a result some notes or some entries in the primary statements or the notes may not be relevant for this company and so may be left blank intentionally.

Basis of preparation

This company is incorporated in the United Kingdom under the Companies Act. The address of the registered office is York House, 45 Seymour Street, London, W1H 7LX.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 March 2014, the company has changed its accounting framework from UK GAAP to FRS 101 as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. The prior year financial statements were re-stated for material adjustments on adoption of FRS 101 in the current year.

The only adjustments posted in respect of the transition to FRS 101 that impacted the net assets of the company related to the capitalised interest as outlined in the Strategic Report on page 1. The net impact of the adjustments is a decrease to retained earnings and increase in amounts owed to group companies of £2.0m at 1 April 2012 and £4.1m at 31 March 2013. Any other adjustments posted in respect of the transition to FRS 101 were reclassifications with nil impact on the net assets of the company.

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

These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of The British Land Company PLC. Details of the parent in whose consolidated financial statements the company is included in are shown in note 18 to the financial statements.

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.

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 accounts of The British Land Company PLC. The group accounts of The British Land Company PLC are available to the public and can be obtained as set out in note 18.

10 Brock Street Limited

Notes to the accounts for the year ended 31 March 2014

1. Accounting policies (continued)

Adoption of new and revised Standards

As explained above, the company has adopted FRS 101 for the first time in the current year. As part of this adoption, IFRS 13 Fair Value Measurement was adopted in the current year. IFRS 13 impacts the disclosure of investment properties, as set out in note 9. Also, IFRS 13 includes extensive disclosure requirements; the company has taken advantage of the exemption provided under FRS 101 from providing these disclosures.

Going Concern

The balance sheet shows that the company has net current liabilities. However, 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.

Significant judgements and sources of estimation uncertainty

The key source of estimation uncertainty relates to the valuation of the property portfolio and investments, 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.

Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent 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 income statement.

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.

Leases

In determining whether leases and related properties represent operating or finance leases, consideration is given to whether the tenant or landlord bears the risks and rewards of ownership.

Taxation

Current tax is based on taxable profit for the year and is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date. Taxable profit differs from net profit as reported in the income statement 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.

Net rental income

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.

10 Brock Street Limited

**Notes to the accounts
for the year ended 31 March 2014**

2. Explanation of transition to FRS 101

This is the first year that the company has presented its financial statements under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under a previous GAAP (UK GAAP) were for the year ended 31 March 2013 and the date of transition to FRS 101 was therefore 1 April 2012.

Reconciliation of Profit and Loss Account

The following is a reconciliation illustrating the adjustments posted to the Profit and Loss Account to restate the prior year comparatives as a result of the transition to FRS 101 from UK GAAP during the year.

	2013 UK GAAP	Transition Adjustments to Profit and Loss Account	Transition Adjustments to Other Comprehensive Income	2013 FRS 101
Revaluation of Properties	58,074,262	(4,100,000) (i)	-	53,974,262
Total comprehensive income	58,068,324	(4,100,000) (i)	-	53,968,324

Notes to reconciliation of Profit and Loss Account

- (i) Under UK GAAP, loans secured at Group level to fund a development in a subsidiary were capitalised at Group level. Under FRS 101, the interest is passed onto the subsidiary and capitalised to the asset to which the loan relates. This asset is subsequently revalued back down to the level it was at pre-capitalisation resulting in a revaluation expense in the Profit and Loss Account. The net impact of this adjustment is a £4.1m revaluation expense with the corresponding entry impacting intercompany payables.

10 Brock Street Limited

**Notes to the accounts
for the year ended 31 March 2014**

2. Explanation of transition to FRS 101 (continued)

Reconciliation of Equity

The following is a reconciliation illustrating the adjustments posted to the Balance Sheet to restate the prior year comparatives as a result of the transition to FRS 101 from UK GAAP during the year. This reconciliation also illustrates the adjustments posted to restate both the opening and closing position in the prior year.

	2013 UK GAAP	Transition Adjustment		2013 FRS 101	2012 UK GAAP	Transition Adjustment		2012 FRS 101
Lease incentive and rent review receivables	-	4,100,000 (i)		4,100,000	N/A	N/A		N/A
Investment Properties: Revaluation	58,074,262	(4,100,000) (ii)		53,974,262	N/A	N/A		N/A
Amounts owed to group companies	188,823,698	4,700,000 (iii)		193,523,698	114,501,442	600,000 (iii)		115,101,442
Retained Earnings	(493,235)	71,857,531 (iv)		71,364,296	(487,297)	17,883,269 (iv)		17,395,972
Revaluation Reserve	76,557,531	(76,557,531) (v)		-	18,483,269	(18,483,269) (v)		-

Notes to reconciliation of Equity

- (i) This movement relates to the capitalised interest adjustment, all figures as outlined in the notes to reconciliation of Profit and Loss Account.
- (ii) This movement relates to the capitalised interest adjustment, as outlined in the notes to reconciliation of Profit and Loss Account.
- (iii) This adjustment relates to a combination of £0.6m to restate the opening position at 1 April 2012 as a result of the capitalised interest adjustment posted as a result of the transition to FRS 101 and an additional £4.1m in respect of the capitalised interest adjustment in the year ended 31 March 2013.
- (iv) Under UK GAAP, the revaluation reserve was shown separately on the face of the Balance Sheet. Under FRS 101, the revaluation reserve is included in retained earnings. On that basis, the movement to retained earnings is £77m (2012: £18m) to reclassify the historical balance in the revaluation reserve. In addition, a reduction in retained earnings of £4.7m (2012: £0.6m) has been reflected in respect of the capitalised interest adjustment outlined above.
- (v) This adjustment has been posted to reclassify the revaluation reserve to retained earnings. Under FRS 101, there is no separate revaluation reserve. It forms part of the retained earnings balance.

10 Brock Street Limited

**Notes to the accounts
for the year ended 31 March 2014**

	2014 £	2013 £
3. Turnover		
Rent receivable	9,591,212	-
Spreading of tenant incentives and guaranteed rent increases	-	-
Total turnover	<u>9,591,212</u>	<u>-</u>
4. Interest Receivable		
Group	-	-
Associated companies	-	-
External - other	-	-
	<u>-</u>	<u>-</u>
5. Interest Payable		
Group	(5,938,649)	-
Associated companies	-	-
External - bank overdrafts and loans	-	-
- other loans	-	-
	<u>(5,938,649)</u>	<u>-</u>
6. Profit on ordinary activities before taxation		
Increase (decrease) in fair value of investment property	64,991,706	53,974,262
	<u>64,991,706</u>	<u>53,974,262</u>

Auditor's remuneration

A notional charge of £2,750 (2013: £1,750) is deemed payable to Deloitte LLP in respect of the audit of the financial statements. Actual amounts payable to Deloitte LLP are paid at group level by The British Land Company PLC.

No non-audit fees (2013 : £nil) were paid to Deloitte LLP.

7. Staff costs

No director received any remuneration for services to the company in either year.

Average number of employees, excluding directors, of the company during the year was nil (2013 - nil).

10 Brock Street Limited

**Notes to the accounts
for the year ended 31 March 2014**

8. Taxation	2014	2013
	£	£
Current tax		
UK corporation tax	-	-
Adjustments in respect of prior years	-	-
Total current taxation charge (credit)	-	-
Deferred tax		
Prior year items	-	-
Total deferred tax charge (credit)	-	-
Total taxation charge (credit)	-	-
Tax reconciliation		
Profit on ordinary activities before taxation	66,578,335	53,968,324
Tax on profit on ordinary activities at UK corporation tax rate of 23% (2013: 24%)	15,313,017	12,952,398
Effects of:		
REIT conversion charge	-	-
REIT exempt income and gains	29,417	1,425
Capital allowances	-	-
Tax losses and other timing differences	-	-
(Increase) decrease in fair value of investment property	(14,948,092)	(12,953,823)
(Income not taxable) expenses not deductible for tax purposes	-	-
Transfer pricing adjustments	280,828	-
Group relief (claimed) surrendered for nil consideration	-	-
Adjustments in respect of prior years	-	-
Total tax charge (credit)	-	-

The Finance Act 2013, which provides for reductions in the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and to 20% from 1 April 2015, was substantively enacted on 2 July 2013. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

10 Brock Street Limited

Notes to the accounts for the year ended 31 March 2014

9. Investment properties

	Development £	Freehold £	Long leasehold £	Total £
Fair value				
1 April 2013	265,000,000	-	-	265,000,000
Additions	10,613,890	-	-	10,613,890
Disposals	-	-	-	-
Transfer between categories	(352,400,000)	352,400,000	-	-
Lease incentive and rent review receivables	11,794,404	-	-	11,794,404
Revaluation included in Profit and Loss	64,991,706	-	-	64,991,706
31 March 2014	-	352,400,000	-	352,400,000
Fair value				
1 April 2012	134,981,453	-	-	134,981,453
Additions	71,944,285	-	-	71,944,285
Disposals	-	-	-	-
Lease incentive and rent review receivables	4,100,000	-	-	4,100,000
Revaluation included in Profit and Loss	53,974,262	-	-	53,974,262
31 March 2013	265,000,000	-	-	265,000,000
Analysis of cost and valuation				
31 March 2014				
Cost	-	205,443,141	-	205,443,141
Revaluation	-	146,956,859	-	146,956,859
Net book value	-	352,400,000	-	352,400,000
31 March 2013				
Cost	188,442,469	-	-	188,442,469
Revaluation	76,557,531	-	-	76,557,531
Net book value	265,000,000	-	-	265,000,000
1 April 2012				
Cost	116,498,184	-	-	116,498,184
Revaluation	18,483,269	-	-	18,483,269
Net book value	134,981,453	-	-	134,981,453

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 2014 by Knight Frank LLP, independent valuers not connected with the company, in accordance with the RICS Valuation - Professional Standards 2014, Ninth Edition, published by The Royal Institution of Chartered Surveyors.

The 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:

	2014 £	2013 £
Less than one year	2,549,273	-
Between one and five years	16,978,646	673,836
Greater than five years	151,317,804	143,711,138
Total	170,845,723	144,384,974

10 Brock Street Limited

**Notes to the accounts
for the year ended 31 March 2014**

10. Investments

	Shares in subsidiaries £	Investments in Unit Trusts £	Total £
At cost or underlying net asset value of investment			
1 April 2013	-	-	-
Additions	-	-	-
Disposals	-	-	-
Revaluation	-	-	-
31 March 2014	-	-	-
Provision for underlying net asset change			
1 April 2013	-	-	-
Disposals	-	-	-
31 March 2014	-	-	-
At cost or underlying net asset value of investment			
1 April 2012	-	-	-
Additions	-	-	-
Disposals	-	-	-
Revaluation	-	-	-
31 March 2013	-	-	-
Provision for underlying net asset change			
1 April 2012	-	-	-
Disposals	-	-	-
31 March 2013	-	-	-
At cost			
31 March 2014	-	-	-
31 March 2013	-	-	-
1 April 2012	-	-	-

10 Brock Street Limited

**Notes to the accounts
for the year ended 31 March 2014**

11. Debtors	2014	2013	2012
	£	£	£
Current debtors (receivable within one year)			
Trade debtors	118,157	-	-
Amounts owed by group companies - current accounts	-	-	-
Amounts owed by associated companies - current accounts	-	-	-
Corporation tax	-	-	-
Other debtors	2,482,846	3,093,773	2,553,937
Prepayments and accrued income	231,993	-	-
	<u>2,832,996</u>	<u>3,093,773</u>	<u>2,553,937</u>

12. Creditors due within one year	2014	2013	2012
	£	£	£
Trade creditors	6,444	-	170,838
Amounts owed to group companies - current accounts	217,004,280	193,523,698	116,501,442
Amounts owed to associated companies - current accounts	-	-	-
Corporation tax	-	-	-
Other taxation and social security	-	-	-
Other creditors	-	-	-
Accruals and deferred income	279,640	3,205,778	4,867,137
	<u>217,290,364</u>	<u>196,729,476</u>	<u>121,539,417</u>

Amounts owed to fellow group companies are repayable on demand. There is no interest charged on these balances with the exception of interest charged on funding for developments which is subsequently capitalised as outlined in the Strategic Report (see page 1).

10 Brock Street Limited

Notes to the accounts
for the year ended 31 March 2014

13. Creditors due after one year (including borrowings)		2014	2013	2012
		£	£	£
Debentures and loans	due 1 to 2 years	-	-	-
	due 2 to 5 years	-	-	-
	due after 5 years	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>	<u>-</u>
14. Share capital		2014	2013	2012
		£	£	£
Issued share capital - allotted, called up and fully paid				
Ordinary Shares of £1 each				
Balance as at 1 April and as at 31 March : 1 share				
		1	1	1
		<u>1</u>	<u>1</u>	<u>1</u>
Total issued share capital		<u>1</u>	<u>1</u>	<u>1</u>

10 Brock Street Limited

**Notes to the accounts
for the year ended 31 March 2014**

15. Capital commitments

The company had capital commitments contracted as at 31 March 2014 of £nil (2013 : £nil; 2012: £89m).

16. Contingent liabilities

If the company were to dispose of its new developments within 3 years of practical completion, the entity would be required to pay capital gains tax on any capital gains arising as this situation would not be covered by the REIT exemption. This would trigger a deferred tax liability of £32m. This contingent liability has not been recognised in the financial statements as it does not satisfy the 'probable' requirement of IAS 37.

17. Subsequent events

There have been no significant events since the year end.

18. Immediate parent and ultimate holding company

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