
10 Brock Street Limited

Annual Report and Accounts

Year ended 31 March 2015

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Company number: 07401699

10 Brock Street Limited

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for the year ended 31 March 2015

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10 Brock Street Limited
STRATEGIC REPORT
for the year ended 31 March 2015

The directors present their Strategic Report for the year ended 31 March 2015.

Principal activities

10 Brock 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 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 has increased compared with the prior year due to the full year impact of prior year lettings. The profit on ordinary activities before taxation of £70.3m is an increase compared to £66.6m in the prior year.

Dividends of £nil (2014: £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, an increase from the prior year.

The value of investment properties held as at 31 March 2015 increased by 22%, due primarily to a revaluation gain of £65.2m as shown in note 8 to the company's balance sheet.

The Board uses total return, to monitor the performance of the company. This is a measure of growth in total equity per share, adding back any current year dividend.

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.

For more information also see the 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.

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 17 December 15 and signed by the order of the board by:


N Ekpo
Secretary

10 Brock Street Limited
DIRECTORS' REPORT
for the year ended 31 March 2015

The directors present their Annual Report on the affairs of the company, together with the audited financial statements and independent auditors' report for the year ended 31 March 2015.

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/sustainability/reports-and-publications/2015.

Directors

The directors who were in office during the year and up to the date of signing the financial statements were:

A Braine (resigned 31 July 2014)
S M Barzycki
S G Carter (resigned 30 January 2015)
C M J Forshaw
B T Grose (resigned 2 October 2014)
L M Bell
T A Roberts
J Vandevivere
N M Webb
V M Penrice (appointed 1 August 2014, resigned 29 April 2015)

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 year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements 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 2015 were 36 (2014 : 32).

Subsequent events

Details of significant events since the Balance Sheet date, if any, are contained in note 14.

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 2 of the financial statements.

10 Brock Street Limited

**DIRECTORS' REPORT (CONTINUED)
for the year ended 31 March 2015**

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

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

Independent auditors

PricewaterhouseCoopers LLP were appointed as auditors of the company for the year ended 31 March 2015 and have indicated their willingness to continue in office. Deloitte LLP were the auditors of the company for the year ended 31 March 2014.

This report was approved by the Board on 17 December 15 and signed by the order of the board by:



N Ekpo
Secretary

10 Brock Street Limited

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
10 BROCK STREET LIMITED
for the year ended 31 March 2015**

Report on the financial statements

Our opinion

In our opinion, 10 Brock Street Limited's financial statements ("the financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2015 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.

What we have audited

10 Brock Street Limited's financial statements comprise:

- the Balance Sheet as at 31 March 2015;
- the Profit and Loss Account and Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

10 Brock Street Limited

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
10 BROCK STREET LIMITED (CONTINUED)
for the year ended 31 March 2015**

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK and Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Accounts 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.

Sara Chowdhry

SARA CHOWDHRY (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

21 December 2015

10 Brock Street Limited

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2015

	Note	2015 £	2014 £
Turnover	3	16,386,171	9,591,213
Cost of sales		(811,314)	(801,568)
Gross profit		15,574,857	8,789,645
Administrative expenses		(3,043,722)	(1,264,367)
Operating profit		12,531,135	7,525,278
Revaluation of investment properties	8	65,225,508	64,991,706
Profit on ordinary activities before interest and taxation		77,756,643	72,516,984
Interest payable and similar charges	4	(7,501,369)	(5,938,649)
Profit on ordinary activities before taxation	5	70,255,274	66,578,335
Tax on profit on ordinary activities	7	-	-
Profit for the financial year		70,255,274	66,578,335

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

10 Brock Street Limited

**STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2015**

	2015 £	2014 £
Profit for the financial year	70,255,274	66,578,335
Total comprehensive income for the year	<u>70,255,274</u>	<u>66,578,335</u>

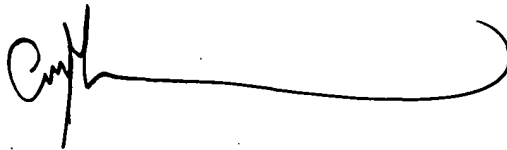
10 Brock Street Limited

BALANCE SHEET
as at 31 March 2015

	Note	2015 £	2014 £
Fixed assets			
Investment properties	8	429,500,000	352,400,000
		<u>429,500,000</u>	<u>352,400,000</u>
Current assets			
Debtors - due within one year	9	2,187,150	2,832,996
		<u>2,187,150</u>	<u>2,832,996</u>
Creditors due within one year	10	(223,889,244)	(217,690,364)
Net current liabilities		<u>(221,702,094)</u>	<u>(214,857,368)</u>
Net assets		<u>207,797,906</u>	<u>137,542,632</u>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account		<u>207,797,905</u>	<u>137,542,631</u>
Total equity		<u>207,797,906</u>	<u>137,542,632</u>

The financial statements of 10 Brock Street Limited, company number 07401699, on pages 6 to 16, were approved by the Board of Directors and authorised for issue on 17/12/15 and signed on its behalf by:

Director



CHRISTOPHER FORSHAW

10 Brock Street Limited

**STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2015**

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 April 2013	1	70,964,296	70,964,297
Profit 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	137,542,631	137,542,632
Profit for the financial year	-	70,255,274	70,255,274
Total comprehensive income for the year	-	70,255,274	70,255,274
Share issues	-	-	-
Dividends payable in year	-	-	-
Balance at 31 March 2015	1	207,797,905	207,797,906

10 Brock Street Limited
Notes to the accounts
for the year ended 31 March 2015

1. Authorisation of financial statements and statement of compliance with FRS 101

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The principal accounting policies adopted by the company are set out in note 2.

2. Accounting policies

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

Basis of preparation

The company is incorporated and domiciled 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. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") as issued by the Financial Reporting Council. The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied.

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 as 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 15 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 15.

10 Brock Street Limited

NOTES TO THE ACCOUNTS (CONTINUED) for the year ended 31 March 2015

2. Accounting policies (continued)

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 Profit and Loss Account as a fair value movement.

Where properties held for investment are appropriated to trading stock, they are transferred at market value. If properties held for trading are appropriated to investment, they are transferred at book value.

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 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.

Turnover

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 (CONTINUED)
for the year ended 31 March 2015**

3. Turnover

	2015 £	2014 £
Rent receivable	5,399,543	268,910
Spreading of tenant incentives and guaranteed rent increases	10,986,628	9,322,303
Total turnover	<u>16,386,171</u>	<u>9,591,213</u>

The 2014 split of rent receivable and spreading of tenant incentives and guaranteed rent increases has been restated.

4. Interest payable and similar charges

	2015 £	2014 £
Interest payable on amounts owed to group	7,501,369	5,938,649
	<u>7,501,369</u>	<u>5,938,649</u>

5. Profit on ordinary activities before taxation

	2015 £	2014 £
Profit on ordinary activities before taxation is stated after charging:		
Increase in fair value of investment property	65,225,508	64,991,706
	<u>65,225,508</u>	<u>64,991,706</u>

Auditors' remuneration

A notional charge of £1,700 (2014: £2,750 was deemed payable to Deloitte LLP) is deemed payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements for the year ended 31 March 2015. Actual amounts payable to PricewaterhouseCoopers LLP are paid at group level by The British Land Company PLC.

No non-audit fees (2014: £nil was paid to Deloitte LLP) were paid to PricewaterhouseCoopers LLP.

6. Staff numbers and costs

No director received any remuneration for services to the company in either year. The remuneration of the directors were borne by another company within the group, for which no apportionment recharges were made.

Average number of employees, excluding directors, of the company during the year was nil (2014: nil).

10 Brock Street Limited

**NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 March 2015**

7. Taxation

	2015	2014
	£	£
Current tax		
UK corporation tax	-	-
Total current tax charge	-	-
Deferred tax		
Prior year items	-	-
Total deferred tax charge	-	-
Tax on profit on ordinary activities	-	-
Tax reconciliation		
Profit on ordinary activities before taxation	70,255,274	66,578,335
Tax on profit on ordinary activities at UK corporation tax rate of 21% (2014: 23%)	14,753,608	15,313,017
Effects of:		
REIT exempt income and gains	219,637	1,655,594
Capital allowances	(1,275,888)	(1,422,519)
Increase in fair value of investment property	(13,697,357)	(14,948,092)
Expenses not deductible/(income not taxable) for tax purposes	-	(598,000)
Total tax expense	-	-

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. These rate reductions have been reflected in the calculation of deferred tax at the Balance Sheet date.

In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly. The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted.

10 Brock Street Limited

**NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 March 2015**

8. Investment properties

	Total £
Fair value	
1 April 2014	352,400,000
Additions	1,036,248
Lease incentive and rent review receivables	10,838,244
Revaluation included in Profit and Loss Account	66,225,508
31 March 2015	429,500,000
Fair value	
1 April 2013	265,000,000
Additions	10,613,890
Lease incentive and rent review receivables	11,794,404
Revaluation included in Profit and Loss Account	64,991,706
31 March 2014	352,400,000
Analysis of cost and valuation	
31 March 2015	
Cost	227,825,255
Revaluation	201,674,745
Net book value	429,500,000
31 March 2014	
Cost (restated)	215,950,763
Revaluation (restated)	136,449,237
Net book value	352,400,000
1 April 2013	
Cost (restated)	193,542,469
Revaluation (restated)	71,457,531
Net book value	265,000,000

At 31 March 2015, the book value of company's freehold investment properties was £429.5m (2014: £352.4m, 2013: development properties £265.0m).

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 2015 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.

10 Brock Street Limited

**NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 March 2015**

8. Investment property (continued)

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:

	2015 £	2014 £
Less than one year	6,994,940	2,549,273
Between one and five years	31,198,783	16,978,646
Greater than five years	144,788,967	151,317,804
Total	<u>182,982,690</u>	<u>170,845,723</u>

9. Debtors

	2015 £	2014 £
Current debtors (receivable within one year)		
Trade debtors	1,780,250	118,157
Amounts owed by group companies - current accounts	10,861	-
Other debtors	336,752	2,482,846
Prepayments and accrued income	59,287	231,993
	<u>2,187,150</u>	<u>2,832,996</u>

10. Creditors due within one year

	2015 £	Restated 2014 £
Trade creditors	49,617	6,444
Amounts owed to group companies - current accounts	222,103,708	217,404,280
Accruals and deferred income	1,735,919	279,640
	<u>223,889,244</u>	<u>217,690,364</u>

Amounts owed to fellow group companies are repayable on demand with interest being charged on balances outstanding to the ultimate parent company at the ultimate parent company's weighted average cost of debt plus a margin while the subsidiary is active and if the interest charged does not put the subsidiary in financial difficulty.

10 Brock Street Limited

**NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 March 2015**

11. Share capital

	2015 £	2014 £
Issued share capital - allotted, called up and fully paid		
Ordinary Share of £1		
Balance as at 1 April and as at 31 March: 1 share	1	1
Total issued share capital	<u>1</u>	<u>1</u>

12. Capital commitments

The company had capital commitments contracted as at 31 March 2015 of £nil (2014: £nil).

13. 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 £53m. This contingent liability has not been recognised in the financial statements as it does not satisfy the 'probable' requirement of IAS 37.

14. Subsequent events

There have been no significant events since the year end.

15. 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.