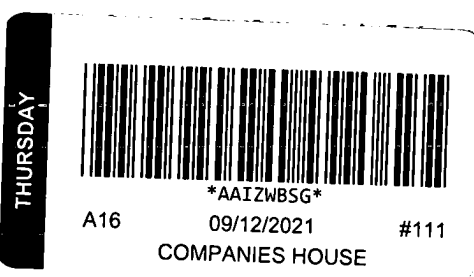


Registration number: 00643370

# British Land Industrial Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2021



**British Land Industrial Limited**

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**British Land Industrial Limited**

**Strategic Report for the Year Ended 31 March 2021**

The directors present their Strategic Report for the year ended 31 March 2021.

**Business review and principal activities**

British Land Industrial 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 investment holding in the United Kingdom (UK).

As shown in the company's Profit and Loss Account on page 9, the company's turnover of £34,469 has decreased by £87,168,265 compared with turnover of £87,202,734 in the prior year. The company received a dividend of £87,176,728 from a subsidiary company, British Land Investments NV in the prior year, this subsidiary was subsequently dissolved.

Loss on ordinary activities before taxation is £500,004,100 compared to a profit on ordinary activities before taxation of £3,109,459 in the prior year. The main driver for the loss in the period is the write off of an intercompany loan balance due from another group company for value £500,000,000 (2020: £nil).

The impairment/write back of investments charge in the profit and loss in the year was £nil (2020: impairment of £84,067,316). The prior period impairment was based on the underlying net asset value compared to the carrying value of investments held. Details of the movement can be found in note 10 to the company's balance sheet.

Dividends of £nil (2020: £nil) were paid in the year.

The Balance Sheet on page 11 shows that the company's financial position at the year end has, in net assets terms, decreased compared with the prior year. This is mainly due to the write off of the intercompany loan as detailed above.

The value of investment properties held as at 31 March 2021 has remained consistent with 2020 as shown in note 9 to the company's Balance Sheet. Details of how investment properties are valued can be found in note 9 to the company's balance sheet.

The company is a subsidiary of The British Land Company PLC. The company's strategy is the same as the group's strategy - to deliver an above average annualised total return to shareholders, which is achieved by creating attractive environments in the right places focused around the people who work, shop and live in them.

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

Any 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.

**British Land Industrial Limited**

**Strategic Report for the Year Ended 31 March 2021 (continued)**

**Principal risks and uncertainties**

This company is part of a large property investment group. As such, the fundamental underlying risks for this company are those of the property group as discussed below.

The company generates returns to shareholders through long-term investment decisions requiring the evaluation of opportunities arising in the following areas:


- demand for space from occupiers against available supply;
- identification and execution of investment and development strategies which are value enhancing;
- availability of financing or refinancing at an acceptable cost;
- economic cycles, including their impact on tenant covenant quality, interest rates, inflation and property values;
- legislative changes, including planning consents and taxation;
- engagement of development contractors with strong covenants;
- key staff changes; and
- environmental and health and safety policies.

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

The company's preference for prime assets and their secure long term contracted rental income, primarily with upward only rent review clauses, presents lower risks than many other property portfolios.

The company has no third party debt and no associated third party interest rate exposure.

Approved by the Board on 06/12/2021 and signed on its behalf by:

DocuSigned by:  
  
F3F65AB2AD754BE...  
Charles Middleton

Director

**British Land Industrial Limited**

**Directors' Report for the Year Ended 31 March 2021**

The directors present their report and the audited financial statements for the year ended 31 March 2021.

**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 Robson (resigned 11 September 2020)

P S Macey

N Taunt (appointed 5 October 2020)

C J Middleton

N M Webb

**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.

**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/reporting/latest-reporting](http://www.britishland.com/sustainability/reporting/latest-reporting)

**British Land Industrial Limited**

**Directors' Report for the Year Ended 31 March 2021 (continued)**

**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 despite the continued impact that the Covid-19 pandemic has had on the economy. Accordingly, they believe the going concern basis is an appropriate one.

**Subsequent Events**

Details of significant events since the Balance Sheet date, if any, are contained in note 16.


**Disclosure of information to the auditors**

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

**Reappointment of independent auditors**

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

Approved by the Board on 06/12/2021 and signed on its behalf by:

DocuSigned by:  
  
F3F65A82AD754BE  
Charles Middleton

Director

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH LAND INDUSTRIAL LIMITED**

### **Opinion on the 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 2021 and of its loss 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.

We have audited the financial statements of British Land Industrial Limited ("the Company") for the year ended 31 March 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other

information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Other Companies Act 2006 reporting**

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Directors**

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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



*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We gained an understanding using our general commercial and sector experience and through discussion with the Directors and other senior management of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company that were contrary to applicable laws and regulations, including fraud;
- We enquired of management and the Directors as to their identification of any non-compliance with laws or regulations, or any actual or potential claims;
- We performed our own checks of compliance with relevant areas identified which included financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation, health & safety and anti-money laundering;
- We communicated identified laws and regulations and potential fraud risks throughout our team and remained alert to any indications of non-compliance or fraud throughout the audit;
- We agreed the financial statement disclosures to underlying supporting documentation to assess compliance with those laws and regulations having an impact on the financial statements
- We reviewed Board meeting minutes and enquired of the Directors and management as to the risks of non-compliance and any instances thereof.
- We challenged assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of investment property.
- In relation to the risk of management override of internal controls, we undertook procedures to review journal entries processed during and subsequent to the year end and evaluated whether there was a risk of material misstatement due to fraud;
- We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

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

DocuSigned by:



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Christopher Young (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK  
Date: 07 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**British Land Industrial Limited****Profit and Loss Account for the Year Ended 31 March 2021**

	Note	2021 £	2020 £
Turnover	4	34,469	87,202,734
Cost of sales		<u>(38,569)</u>	<u>(25,936)</u>
Gross (loss)/profit		(4,100)	87,176,798
Administrative expenses		<u>-</u>	<u>(21)</u>
Operating (loss)/profit		<u>(4,100)</u>	<u>87,176,777</u>
Loss from write-off of intercompany loans	5	(500,000,000)	-
Loss from disposals of investments	5, 10	-	(2)
Impairment of investments	10	<u>-</u>	<u>(84,067,316)</u>
(Loss)/profit on ordinary activities before taxation		(500,004,100)	3,109,459
Taxation	8	<u>-</u>	<u>-</u>
(Loss)/profit for the year		<u>(500,004,100)</u>	<u>3,109,459</u>

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

The notes on pages 13 to 21 form an integral part of these financial statements.

**British Land Industrial Limited**

**Statement of Comprehensive Income for the Year Ended 31 March 2021**

	2021 £	2020 £
(Loss)/profit for the year	<u>(500,004,100)</u>	<u>3,109,459</u>
Total comprehensive (expense) / income for the year	<u><u>(500,004,100)</u></u>	<u><u>3,109,459</u></u>

The notes on pages 13 to 21 form an integral part of these financial statements.

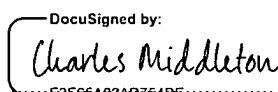
**British Land Industrial Limited**

(Registration number: 00643370)

**Balance Sheet as at 31 March 2021**

	Note	31 March 2021 £	31 March 2020 £
<b>Fixed assets</b>			
Investment properties	9	6,250	6,250
Investments	10	<u>65,830,279</u>	<u>65,830,279</u>
		<u>65,836,529</u>	<u>65,836,529</u>
<b>Current assets</b>			
Debtors	11	<u>235,128,007</u>	<u>800,597,834</u>
		<u>235,128,007</u>	<u>800,597,834</u>
Creditors due within one year	12	<u>(22,579,688)</u>	<u>(88,045,415)</u>
<b>Net current assets</b>		<u>212,548,319</u>	<u>712,552,419</u>
<b>Net assets</b>		<u>278,384,848</u>	<u>778,388,948</u>
<b>Capital and reserves</b>			
Share capital	13	175,000,000	175,000,000
Share premium reserve		1,239,144	1,239,144
Profit and loss account		<u>102,145,704</u>	<u>602,149,804</u>
<b>Total shareholders' funds</b>		<u>278,384,848</u>	<u>778,388,948</u>

Approved by the Board on 06/12/2021 and signed on its behalf by: .

DocuSigned by:  
  
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 Charles Middleton

Director

The notes on pages 13 to 21 form an integral part of these financial statements.

**British Land Industrial Limited****Statement of Changes in Equity for the Year Ended 31 March 2021**

	Share capital £	Share premium £	Profit and loss account £	Total £
<b>Balance at 1 April 2019</b>	175,000,000	1,239,144	599,040,345	<b>775,279,489</b>
Profit for the year	-	-	3,109,459	<b>3,109,459</b>
Total comprehensive income for the year	-	-	3,109,459	<b>3,109,459</b>
<b>Balance at 31 March 2020</b>	<b>175,000,000</b>	<b>1,239,144</b>	<b>602,149,804</b>	<b>778,388,948</b>
 <b>Balance at 1 April 2020</b>	 175,000,000	 1,239,144	 602,149,804	 <b>778,388,948</b>
Loss for the year	-	-	(500,004,100)	<b>(500,004,100)</b>
Total comprehensive expense for the year	-	-	(500,004,100)	<b>(500,004,100)</b>
<b>Balance at 31 March 2021</b>	<b>175,000,000</b>	<b>1,239,144</b>	<b>102,145,704</b>	<b>278,384,848</b>

The notes on pages 13 to 21 form an integral part of these financial statements.

**British Land Industrial Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2021**

**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").

The financial statements are prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Instances in which advantage of the FRS 101 disclosure exemptions have been taken are set out below.

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

These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements in accordance with Companies Act 2006 Section 400, because it is included in the group financial statements of The British Land Company PLC.

**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

**British Land Industrial Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2021  
(continued)**

**2 Accounting policies (continued)**

- (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 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 17.

**Adoption status of relevant new financial reporting standards and interpretations**

In the current financial year the Company has adopted a number of minor amendments to standards effective in the year issued by the IASB, none of which have had a material impact on the Company.

These amendments include IAS 1 and IAS 8 (amended) - Definition of Material, IFRS 3 (amended) - Definition of a Business, IFRS 9 (amended) - criteria for hedge accounting on transition from LIBOR to IBOR and IFRS 16 (amended).

**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 despite the continued impact that the Covid-19 pandemic has had on the economy. Accordingly, they believe the going concern basis is an appropriate one.

**Turnover**

*Rental income from investment property*

Rental income is recognised on an accruals basis. A rent adjustment based on open market estimated rental value is recognised from the rent review date in relation to unsettled rent reviews. Where a rent-free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the earliest termination date.

Rental income from fixed and minimum guaranteed rent reviews is recognised on a straight-line basis over the shorter of the entire lease term or the period to the first break option. Where such rental income is recognised ahead of the related cash flow, an adjustment is made to ensure that the carrying value of the related property including the accrued rent does not exceed the external valuation. Initial direct costs incurred in negotiating and arranging a new lease are amortised on a straight-line basis over the period from the date of lease commencement to the earliest termination date.

Where a lease incentive payment, including surrender premia paid, does not enhance the value of a property, it is amortised on a straight-line basis over the period from the date of lease commencement to the earliest termination date. Upon receipt of a surrender premium for the early determination of a lease, the profit, net of dilapidations and non-recoverable outgoings relating to the lease concerned, is immediately reflected in income.

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

**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.



**British Land Industrial Limited****Notes to the Financial Statements for the Year Ended 31 March 2021  
(continued)****2 Accounting policies (continued)****Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequently to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Any surplus or deficit arising on revaluing investment properties is recognised in the Profit and Loss Account as a fair value movement.

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

**Investments**

Fixed asset investments are stated at the lower of cost and the underlying net asset value of the investments.

**Debtors**

Trade and other debtors are initially recognised at fair value and subsequently measured at amortised cost and discounted as appropriate. The Company calculates the expected credit loss for debtors based on lifetime expected credit losses under the IFRS 9 simplified approach.

**Creditors**

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

**3 Significant accounting judgements and key sources of estimation uncertainty**

The key source of estimation uncertainty relates to the valuation of the property portfolio where an external valuation is obtained, and to the valuation of investments. 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.

The key source of estimation uncertainty relates to the valuation of investments. 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.

**4 Turnover**

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Rental income from investment property	<b>7,125</b>	125
Dividends received	-	87,176,728
Service charge income	<b>27,344</b>	25,881
	<b>34,469</b>	87,202,734

**British Land Industrial Limited****Notes to the Financial Statements for the Year Ended 31 March 2021  
(continued)****5 Other gains and losses**

The analysis of the company's other gains and losses for the year is as follows:

	2021 £	2020 £
Gain (loss) from write-off of intercompany loans	(500,000,000)	-
Gain (loss) from disposals of investments	-	(2)
	<u>(500,000,000)</u>	<u>(2)</u>

**6 Auditors' remuneration**

A notional charge of £2,000 (2020: £2,832) is deemed payable to BDO LLP in the current year in respect of the audit of the financial statements for the year ended 31 March 2021. Actual amounts payable to BDO LLP in the current year are paid at group level by The British Land Company PLC.

No non-audit fees (2020: £nil) were paid to BDO LLP in the current year.

**7 Staff costs**

No director (2020: 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.

Average number of employees, excluding directors, of the company during the year was nil (2020: nil).

**8 Tax on profit / (loss) on ordinary activities**

	2021 £	2020 £
<b>Current taxation</b>		
UK corporation tax	-	-
Tax charge in the profit and loss account	<u>-</u>	<u>-</u>

**British Land Industrial Limited****Notes to the Financial Statements for the Year Ended 31 March 2021  
(continued)****8 Tax on profit / (loss) on ordinary activities (continued)**

	2021 £	2020 £
<b>Tax reconciliation</b>		
(Loss)/profit on ordinary activities before taxation	(500,004,100)	3,109,459
Tax on (loss)/profit on ordinary activities at UK corporation tax rate of 19% (2020: 19%)	(95,000,779)	590,797
<b>Effects of:</b>		
REIT exempt income and gains	2,860	2,528
Capital allowances	(2,081)	(2,537)
Taxable transfer pricing adjustments	2,698,114	3,158,290
Decrease in fair value of property & investments	-	15,972,790
Income not taxable	-	(16,563,578)
Write-off of intercompany loan	95,000,000	-
Group relief	(2,698,114)	(3,158,290)
<b>Total tax charge</b>	<u>-</u>	<u>-</u>

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. At the balance sheet date, the proposal to increase the rate to 25% had not been substantively enacted, substantive enactment occurred on 24 May 2021, therefore, its effects are not included in these financial statements. It is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would not be material.

**9 Investment properties**

	£
<b>Fair value</b>	
1 April 2020	<u>6,250</u>
31 March 2021	<u>6,250</u>
<b>Fair value</b>	
1 April 2019	<u>6,250</u>
31 March 2020	<u>6,250</u>
<b>Analysis of cost and valuation</b>	
<b>31 March 2021</b>	
Cost	6,500
Valuation	<u>(250)</u>
<b>Net book value</b>	<u>6,250</u>

**British Land Industrial Limited****Notes to the Financial Statements for the Year Ended 31 March 2021  
(continued)****9 Investment properties (continued)**

	£
<b>31 March 2020</b>	
Cost	6,500
Valuation	(250)
Net book value	6,250

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 2021 by Knight Frank LLP, external valuers, in accordance with the RICS Valuation - Global Standards 2019, published by The Royal Institution of Chartered Surveyors.

The Covid-19 pandemic has continued to impact global financial markets and market activity in many sectors, with some real estate markets having experienced lower levels of transactional activity and liquidity. In some cases, 'lockdowns' have been applied - in varying degrees - to reflect further 'waves' of Covid-19. While these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact. As at the valuation date property markets are mostly functioning again, with transaction volumes and other relevant evidence returning to levels which our valuers consider to be an adequate quantum of market evidence upon which to base their opinions of value. Accordingly, and for the avoidance of doubt, our valuers have not reported their valuations as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation - Global Standards. Our valuers have, however, highlighted the market context under which their opinions have been prepared and, in recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of Covid-19, the importance of the valuation date.

**10 Investments**

	Shares in subsidiaries £	Investments in associates £	Investments in joint ventures £	Total £
<b>Underlying net asset value of investment</b>				
1 April 2020	65,829,579	100	600	65,830,279
31 March 2021	65,829,579	100	600	65,830,279
<b>Underlying net asset value of investment</b>				
1 April 2019	84,416,568	100	600	84,417,268
Additions	65,480,329	-	-	65,480,329
Impairment of investments	(84,067,316)	-	-	(84,067,316)
Disposals	(2)	-	-	(2)
31 March 2020	65,829,579	100	600	65,830,279

**British Land Industrial Limited****Notes to the Financial Statements for the Year Ended 31 March 2021  
(continued)****10 Investments (continued)**

	Shares in subsidiaries £	Investments in associates £	Investments in joint ventures £	Total £
<b>Provision for underlying net asset change</b>				
1 April 2020	<u>(84,067,816)</u>	<u>-</u>	<u>-</u>	<u>(84,067,816)</u>
31 March 2021	<u>(84,067,816)</u>	<u>-</u>	<u>-</u>	<u>(84,067,816)</u>
<b>Provision for underlying net asset change</b>				
1 April 2019	(500)	-	-	(500)
Impairment of investments	<u>(84,067,316)</u>	<u>-</u>	<u>-</u>	<u>(84,067,316)</u>
31 March 2020	<u>(84,067,816)</u>	<u>-</u>	<u>-</u>	<u>(84,067,816)</u>
<b>At cost</b>				
<b>31 March 2021</b>	<u><b>149,897,395</b></u>	<u><b>100</b></u>	<u><b>600</b></u>	<u><b>149,898,095</b></u>
31 March 2020	<u>149,897,395</u>	<u>100</u>	<u>600</u>	<u>149,898,095</u>

Details of the subsidiaries as at 31 March 2021 are as follows:

<b>Subsidiary</b>	<b>Principal activity</b>	<b>Interest</b>	<b>Country</b>
BL Fixed Uplift Fund Nominee No.2 Limited	Dormant	100%	Jersey
BL Goodman (LP) Limited	Investment holding	100%	United Kingdom
Chrislu Nominees Limited	Dormant	100%	United Kingdom
BVP Developments Limited	Investment holding	100%	United Kingdom
BL Fixed Uplift Fund Limited Partnership	Property investment	99%	Jersey

Details of the joint ventures as at 31 March 2021 are as follows:

<b>Joint Venture</b>	<b>Principal activity</b>	<b>Interest</b>	<b>Country</b>
BL Goodman Limited Partnership	Property trading	50%	United Kingdom
BL Goodman (General Partner) Limited	General partner	50%	United Kingdom
BL Goodman Nominee 1 Limited	Dormant	50%	United Kingdom
BL Goodman Nominee 2 Limited	Dormant	50%	United Kingdom
The British Land Corporation Limited	Dormant	50%	United Kingdom
BL ESOP Limited	Dormant	50%	Isle of Man

**British Land Industrial Limited****Notes to the Financial Statements for the Year Ended 31 March 2021  
(continued)****10 Investments (continued)**

Details of the associates as at 31 March 2021 are as follows:

<b>Associates</b>	<b>Principal activity</b>	<b>Interest</b>	<b>Country</b>
Kingsmere Productions Limited	Dormant	10%	United Kingdom
The Liverpool Exchange Limited	Non-trading	1%	United Kingdom

All investments based in the United Kingdom have a registered address of York House, 45 Seymour Street, London, W1H 7LX.

All investments based in Jersey have a registered address of 47 Esplanade, St Helier, Jersey, JE1 0BD.

All investments based in the Isle of Man have a registered address of 62 Bucks Road, Douglas, Isle of Man.

**11 Debtors**

	<b>31 March 2021 £</b>	<b>31 March 2020 £</b>
Trade debtors	5,064	375
Provision for impairment of trade debtors	(417)	(205)
Net trade debtors	4,647	170
Amounts due from related parties	235,119,327	800,593,001
VAT	4,033	4,663
	<b>235,128,007</b>	<b>800,597,834</b>

Debtors from related parties relate to amounts due from group companies which are repayable on demand. There is no interest charged on these balances.

**12 Creditors due within one year**

	<b>31 March 2021 £</b>	<b>31 March 2020 £</b>
Trade creditors	23,016	12,056
Amounts due to related parties	22,552,108	88,032,781
Social security and other taxes	4,564	578
	<b>22,579,688</b>	<b>88,045,415</b>

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.

**British Land Industrial Limited****Notes to the Financial Statements for the Year Ended 31 March 2021  
(continued)****13 Share capital****Allotted, called up and fully paid shares**

	No.	31 March 2021 £	No.	31 March 2020 £
Ordinary shares of £1 each	175,000,000	175,000,000	175,000,000	175,000,000

**14 Capital commitments**

The total amount contracted for but not provided in the financial statements was £nil (2020: £nil)

**15 Contingent liabilities**

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

**16 Subsequent events**

There have been no significant events since the year end.

**17 Parent and ultimate parent undertaking**

The immediate parent company is BL Leisure and Industrial 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.