

Registration number: LP017584

BL CW Upper Limited Partnership

Annual Report and Consolidated Financial Statements

for the Year Ended 31 March 2023

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COMPANIES HOUSE

BL CW Upper Limited Partnership

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BL CW Upper Limited Partnership

Strategic Report for the Year Ended 31 March 2023

The partners present their strategic report for the year ended 31 March 2023.

Business review and principal activities

BL CW Upper Limited Partnership ("the partnership") and its subsidiaries ("the Group") are jointly owned by BL CW Upper LP Company Limited and AS Property CW 1 Trust and operates as a joint venture. The principal activity of BL CW Upper Limited Partnership is that of investment in companies which are developing investment properties.

The Group's principal activity is property development in the United Kingdom (UK).

As shown in the Consolidated Income Statement on page 8 the Group made a consolidated loss in the year of £132,760,995 compared to a consolidated profit of £94,780,240 in the prior year. The loss in the year is largely due to the revaluation loss of £99,932,343 (2022: gain of £90,335,396). The movement is determined by the prevailing market conditions at the Balance Sheet date. Details of how investment properties are valued can be found in note 10 to the Group's balance sheet.

On 1 March 2023 two subsidiaries of the Group along with BL CW Holdings Plot A1 Trading Limited Partnership entered into a £150m Green loan facility to support development costs. National Westminster Bank and Crédit Agricole Corporate & Investment Bank provided the loan and acted as Mandated Lead Arrangers and Green Loan Advisers and provided the related hedging. NatWest provided hedging for A1 and Credit Agricole provided hedging for A2. The loan for three years is secured on the mixed-use Phase 1 project. The Group is targeting at least BREEAM Excellent for its investment property, enabling the loan and hedging to be designated as 'Green'. The loan drawn by the Group's subsidiaries at 31 March 2023 was £3.4m. The fair value movement on interest rate swaps in the period was a loss of £805,817.

Distributions of £nil (2022: £nil) were paid in the year.

The Consolidated Statement of Financial Position on page 10 shows that the Group's net assets have decreased to £567,783,730 (2022: £589,216,626) at the year end. The decrease is mostly due to the downward revaluation of investment property, as discussed above.

The Group's strategy is to deliver an above average annualised total return to its partners, which is achieved by creating value through the Canada Water Masterplan development.

Key performance indicators

The partners measure how the Group delivers its strategy through the key performance indicators.

The partners use total return to monitor the performance of the Group. This is a measure of growth in total equity, adding back any current year distribution and injection of partner capital in the year.

Principal risks and uncertainties

The partnership and Group generates returns to partners 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;
- differential pricing for premium locations and buildings;
- availability of financing or refinancing at an acceptable cost;
- demand for returns from investors in property, compared to other asset classes;
- price differentials for capital to finance the business;
- legislative initiatives, including planning consents and taxation
- economic cycles, including their impact on tenant covenant quality, interest rates, inflation and property values;
- engagement of development contractors with strong covenants; and
- environmental and health and safety policies.

BL CW Upper Limited Partnership

Strategic Report for the Year Ended 31 March 2023 (continued)

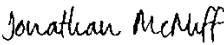
These opportunities also represent risks, the most significant being change to the value of the property portfolio. This risk has high visibility to the partners and is considered and managed on a continuous basis. The partners use their knowledge and experience to knowingly accept a measured degree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

The general risk environment in which the Group operates has been volatile in terms of the economic and political landscape, with future sentiment remaining fragile. Higher interest rates have had an impact on property market yields, leading to a decline in property value. The partners remain mindful of ongoing macroeconomic challenges, including upward yield pressure.

Financial risk management policy

The Group manages its financial risk by ensuring it has sufficient capital to ensure it will be able to continue as a going concern while maximising the return to partners.

Approved by the General Partner on behalf of the Partnership on 05.10.2023 and signed on its behalf by:

DocuSigned by:

81080A4C8C97489
Jonathan McNuff

Director

For and on behalf of BL CW Upper GP Company Limited in its capacity as general partner of BL CW Upper Limited Partnership

BL CW Upper Limited Partnership

Report of the General Partner for the Year Ended 31 March 2023

The partners submit their Annual Report on the affairs of the partnership, together with the consolidated audited financial statements and independent auditors' report for the year ended 31 March 2023.

Partner's interests

BL CW Upper LP Company Limited	49.996%
AS Property CW 1 Trust	49.996%
BL CW Upper GP Company Limited	0.008%
	100.000%

Where distributions are made by BL CW Upper Limited Partnership, BL CW Upper GP Company Limited is entitled to an allocation of net income equal to all costs and expenses incurred by the General Partner in respect of the relevant Accounting Period, plus an amount equal to £1,000. No distributions have been made to BL CW Upper GP Company Limited in the current year (2022: £nil).

Statement of general partners' responsibilities in respect of the financial statements

The general partners are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations"), requires the general partners to prepare financial statements for each financial year. Under that law the general partners have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the partnership 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, as applied to qualifying partnerships, general partners 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 Group and partnership and of the profit or loss of the group for that period. In preparing the financial statements, the general partners are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the partnership financial statements, 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 Group and partnership will continue in business.

The general partners are responsible for safeguarding the assets of the Group and partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The general partners are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Group and partnership and enable them to ensure that the financial statements comply with the Companies Act 2006.

General partners' confirmations

In the case of each member in office at the date the general partners' report is approved:

- so far as the member is aware, there is no relevant audit information of which the Group's and partnership's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a member in order to make themselves aware of any relevant audit information and to establish that the Group's and partnership's auditors are aware of that information.

BL CW Upper Limited Partnership

Report of the General Partner for the Year Ended 31 March 2023 (continued)

Environmental matters

In preparing the financial statements, the impact of climate change has been considered. Whilst noting the Partnerships' commitment to sustainability, there has not been a material impact on the financial reporting judgements and estimates arising from our considerations, which include physical climate and transitional risk assessments conducted by the Partnership.

Going concern Group

The partners consider that the Group has adequate resources to continue trading for the foreseeable future, with no external borrowings falling due within 12 months from the signing date of these financial statements and sufficient available debt facilities and funding from partners enabling the Group to complete development and meet all liabilities as they fall due.

As a consequence of this the partners feel that the Group is well placed to manage its financing and other business risks satisfactorily despite the uncertain economic climate, and have a reasonable expectation that the Group has adequate resources to continue in operation for at least 12 months from the signing date of these financial statements. Accordingly, they believe the going concern basis is an appropriate one.

Partnership

The partners consider the Partnership to be a going concern and the financial statements are prepared on this basis. The Statement of Financial Position shows that the Partnership has net current liabilities of £99,136 which, subsequent to year end, is owed in its entirety to its subsidiary BL CW Holdings Limited. The Partnership has net assets of £567,653,438. The subsidiary has no intention to require these amounts to be repaid, in whole or in part, for at least 12 months from the date of signing these accounts unless the partnership has sufficient resources to do so.

The partners have assessed the cash flow requirement of the Partnership for at least 12 months of signing these accounts. The partners expect the Partnership to have sufficient resources to meet its obligations despite the current economic climate. Therefore, the partners have a reasonable expectation that the Partnership has adequate resources to continue its operations for at least 12 months after signing these financial statements and as a result they continue to adopt the going concern basis in preparing the accounts.

Subsequent events

Details of significant events since the Balance Sheet date are contained in Note 23.

Disclosure of information to the auditor

Each of the partners at the date of approval of this report confirm that:

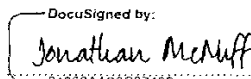
- (a) so far as the partner is aware, there is no relevant audit information of which the partnership's auditor is unaware; and
- (b) the partner has taken all the steps that he/she ought to have taken as a partner in order to make himself/herself aware of any relevant audit information and to establish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

Reappointment of auditors

The auditors, PricewaterhouseCoopers 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 General Partner on behalf of the Partnership on 05.10.2023 and signed on its behalf by:

DocuSigned by:

Jonathan McNuff

Director

For and on behalf of BL CW Upper GP Company Limited in its capacity as general partner of BL CW Upper Limited Partnership

Independent auditors' report to the partners of BL CW Upper Limited Partnership

Report on the audit of the financial statements

Opinion

In our opinion:

- BL CW Upper Limited Partnership's group financial statements and partnership financial statements (the "financial statements") give a true and fair view of the state of the group's and of the partnership's affairs as at 31 March 2023 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the partnership financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

We have audited the financial statements, included within the Annual Report and Consolidated Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Statements of Financial Position as at 31 March 2023; the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Net Assets Attributable to Partners and the Consolidated Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 group's and the partnership'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.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the partnership's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The general partner are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Report of the General Partner, we also considered whether the disclosures required by the UK Companies Act 2006 as applied to qualifying partnerships have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 as applied to qualifying partnerships requires us also to report certain opinions and matters as described below.

Strategic report and Report of the General Partner

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the General Partner for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and partnership and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Report of the General Partner.

Responsibilities for the financial statements and the audit

Responsibilities of the general partner for the financial statements

As explained more fully in the Statement of general partners' responsibilities in respect of the financial statements, the general partner are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The general partner are also responsible for such internal control as they 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 general partner are responsible for assessing the group's and the partnership'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 general partner either intend to liquidate the group or the partnership or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and company law as applied to qualifying partnerships, by the Partnerships (Accounts) Regulations 2008 (the "Regulations"), and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of properties and the expected credit loss provisions in respect of tenant debtors and incentives. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, and review of the reports made by management and internal audit;
- Understanding of management's internal controls designed to prevent and detect irregularities;
- Reviewing relevant meeting minutes;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, posted by unexpected users and posted on unexpected days; and
- Challenging assumptions and judgements made by management in their significant areas of estimation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the partners of the qualifying partnership as a body in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 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.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
5 October 2023

BL CW Upper Limited Partnership

Consolidated Income Statement for the Year Ended 31 March 2023

	Note	2023 £	2022 £
Revenue	4	47,872,693	10,236,276
Cost of sales ¹		<u>(76,759,309)</u>	<u>(5,522,820)</u>
Gross (loss)/profit		(28,886,616)	4,713,456
Administrative expenses		(3,451,126)	(471,232)
Other operating income	5	335,506	202,620
Other operating expenses		<u>10,000</u>	<u>-</u>
Operating (loss)/profit		(31,992,236)	4,444,844
Property movement ²	10	<u>(99,932,343)</u>	<u>90,335,396</u>
(Loss)/profit before interest		(131,924,579)	94,780,240
Finance costs	6	<u>(833,143)</u>	<u>-</u>
(Loss)/profit before tax		(132,757,722)	94,780,240
Income tax expense	9	<u>(3,273)</u>	<u>-</u>
(Loss)/profit for the year		<u>(132,760,995)</u>	<u>94,780,240</u>

¹Within the cost of sales movement of £76,759,309 (2022: £5,522,820) is an impairment in the valuation of trading properties of £17,919,776 (2022: £nil), a loss on disposal of trading properties of £14,636,439 (2022: £nil) and a disposal of trading property of £36,663,635 (2022: £nil) as disclosed in Note 12.

²Within the loss on property movement of £99,932,343 (2022: gain of £90,335,396) is a revaluation loss of investment property of £99,932,343 (2022: gain £98,753,524) as disclosed in Note 10, and an impairment in the valuation of trading property of £nil (2022: loss of £8,418,128) as disclosed in Note 12.

The above results were derived from continuing operations.

BL CW Upper Limited Partnership

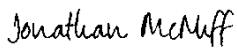
**Consolidated Statement of Comprehensive Income for the Year Ended 31
March 2023**

	2023 £	2022 £
(Loss)/profit for the year	<u>(132,760,995)</u>	<u>94,780,240</u>
Total comprehensive (expense)/ income for the year	<u>(132,760,995)</u>	<u>94,780,240</u>

BL CW Upper Limited Partnership
(Registration number: LP017584)
Consolidated Statement of Financial Position as at 31 March 2023

	Note	31 March 2023 £	31 March 2022 £
Non-current assets			
Investment properties	10	524,870,000	545,232,715
		<u>524,870,000</u>	<u>545,232,715</u>
Current assets			
Trading properties	12	-	19,867,285
Trade and other receivables	13	42,161,595	1,374,478
Cash and cash equivalents	14	41,288,266	39,447,182
		<u>83,449,861</u>	<u>60,688,945</u>
Current liabilities			
Trade and other payables	15	(37,839,631)	(16,705,034)
Net current assets		<u>45,610,230</u>	<u>43,983,911</u>
Non-current liabilities			
Loans and borrowings	16	(1,890,681)	-
Other non-current financial liabilities	17	(805,817)	-
Net assets attributable to Partners		<u>567,783,732</u>	<u>589,216,626</u>
Capital and reserves			
Capital contribution	18	608,243,741	496,915,642
Profit and loss reserve		<u>(40,460,011)</u>	<u>92,300,984</u>
Net assets attributable to Partners		<u>567,783,730</u>	<u>589,216,626</u>

Approved by the General Partner on behalf of the Partnership on 05.10.2023 and signed on its behalf by:

DocuSigned by:

81060A4C8C97489
Jonathan McNuff

Director
For and on behalf of BL CW Upper GP Company Limited in its capacity as general partner of BL CW Upper Limited Partnership

BL CW Upper Limited Partnership**Consolidated Statement of Changes in Net Assets Attributable to Partners for the Year Ended 31 March 2023**

	Capital Contribution £	Profit and loss reserve £	Total £
At 1 April 2021	100	(2,170,256)	(2,170,156)
Profit for the year	-	94,780,240	94,780,240
Total comprehensive income	-	94,780,240	94,780,240
Share issue	496,915,542	-	496,915,542
At 31 March 2022	<u>496,915,642</u>	<u>92,300,984</u>	<u>589,216,626</u>

	Capital Contribution £	Profit and loss reserve £	Total £
At 1 April 2022	496,915,642	92,300,984	589,216,626
Capital contribution	111,328,099	-	111,328,099
Loss for the year	-	(132,760,995)	(132,760,995)
Total comprehensive expense	-	(132,760,995)	(132,760,995)
At 31 March 2023	<u>608,243,741</u>	<u>(40,460,011)</u>	<u>567,783,730</u>

BL CW Upper Limited Partnership

Consolidated Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023	2022
Cash flows from operating activities			
(Loss)/ Profit for the year		(132,760,995)	94,780,240
Changes in fair value of property	10	99,932,343	(90,335,396)
Impairment in the valuation of trading properties	12	17,919,776	-
Loss on disposal of trading properties	12	14,636,439	-
Interest on bank overdrafts and borrowings	6	27,326	-
Revaluation of interest rate swaps	6	805,817	-
Lease incentives		1,372	127,484
Tax expense		3,273	-
(Increase)/ decrease in Trade and other receivables	13	(40,787,117)	8,147,612
Increase/ (decrease) in Trade and other creditors	15	21,131,324	4,973,841
(Increase)/ decrease in Trading property	12	(12,716,254)	(4,218,155)
Net cash flows from operating activities		<u>(31,806,696)</u>	<u>13,475,626</u>
Cash flows from investing activities			
Development and other capital expenditure	10	(79,571,000)	(83,374,132)
Net cash flows from investing activities		<u>(79,571,000)</u>	<u>(83,374,132)</u>
Cash flows from financing activities			
Proceeds from issue of partner capital	18	111,328,099	496,915,542
Related party loans		-	(391,298,048)
External loans	16	1,890,681	-
Net Cash flows from financing activities		<u>113,218,780</u>	<u>105,617,494</u>
Net increase in cash and cash equivalents		1,841,084	35,719,087
Cash and cash equivalents at beginning of period		39,447,182	3,728,095
Cash and cash equivalents at end of period		<u>41,288,266</u>	<u>39,447,182</u>

The notes on pages 15 to 31 form an integral part of these financial statements.

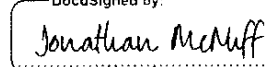
BL CW Upper Limited Partnership
(Registration number: LP017584)
Statement of Financial Position as at 31 March 2023

	Note	31 March 2023 £	31 March 2022 £
Assets			
Non-current assets			
Investments	11	567,752,574	496,915,741
		<u>567,752,574</u>	<u>496,915,741</u>
Current assets			
Cash and cash equivalents	14	6,176	-
Current liabilities			
Trade and other payables	15	(105,312)	(14,536)
		<u>(99,136)</u>	<u>(14,536)</u>
Net current liabilities			
		<u>567,653,438</u>	<u>496,901,205</u>
Net assets attributable to Partners			
Partners' interests			
Capital contribution	18	608,243,741	496,915,642
Profit and loss reserve		<u>(40,590,303)</u>	<u>(14,437)</u>
Net assets attributable to Partners			
		<u>567,653,438</u>	<u>496,901,205</u>

The loss after taxation for the year ended 31 March 2023 for the Company was £40,575,866 (2022: profit of £2,626,092).

The Company has taken advantage of the exemption under S.408 of the Companies Act 2006, to prepare an individual profit and loss account where Group accounts are prepared.

Approved by the General Partner on behalf of the Partnership on 05.10.2023 and signed on its behalf by:

DocuSigned by:

 81060A4C6C97489
 Jonathan McNuff

Director

For and on behalf of BL CW Upper GP Company Limited in its capacity as general partner of BL CW Upper Limited Partnership

The notes on pages 15 to 31 form an integral part of these financial statements.

BL CW Upper Limited Partnership**Statement of Changes in Net Assets Attributable to Partners for the Year Ended 31 March 2023**

	Capital Contribution £	Profit and loss reserve £	Total £
At 1 April 2021	100	(2,640,529)	(2,640,429)
Profit for the year	-	2,626,092	2,626,092
Total comprehensive income	-	2,626,092	2,626,092
New share capital subscribed	496,915,542	-	496,915,542
At 31 March 2022	<u>496,915,642</u>	<u>(14,437)</u>	<u>496,901,205</u>

	Capital Contribution £	Profit and loss reserve £	Total £
At 1 April 2022	496,915,642	(14,437)	496,901,205
Loss for the year	-	(40,575,866)	(40,575,866)
Total comprehensive expense	-	(40,575,866)	(40,575,866)
Capital contribution	111,328,099	-	111,328,099
At 31 March 2023	<u>608,243,741</u>	<u>(40,590,303)</u>	<u>567,653,438</u>

BL CW Upper Limited Partnership

Notes to the Financial Statements for the Year Ended 31 March 2023

1 General information

This Partnership is incorporated and domiciled in England, United Kingdom under the Companies Act 2006.

The address of its registered office is:

York House
45 Seymour Street
London
W1H 7LX

2 Accounting policies

Basis of preparation

The Group financial statements have been prepared in accordance with UK-adopted international accounting standards ('IFRS') and FRS 101 for the partnership only financial statements and the applicable legal requirements of the Companies Act 2006 and company law as applied to qualifying partnerships, by the Partnerships (Accounts) Regulations 2008 (the "Regulations").

The consolidated financial statements include the accounts of BL CW Upper Limited Partnership and all subsidiaries. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Adoption status of relevant new financial reporting standards and interpretations

In the current year the Group 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 Group. These include amendments to IAS 16, IAS 37, IFRS 3 and annual improvements to IFRS Standards 2018-2020.

Several amendments to standards and interpretations have been issued but are not yet effective for the current accounting period. These include amendments to IAS 12, IAS 1 and IFRS Practice Statement 2. These have not yet been adopted by the Group. The amendments listed above did not have any material impact on amounts recognised in prior years, and are not expected to significantly affect current and future years.

Change in accounting policy

Rental concessions

In the current year the Group has adopted an Agenda Decision issued by the IFRS Interpretations Committee (IFRIC), in respect of the accounting for rental concessions granted to tenants. In October 2022, the IFRIC issued an Agenda Decision in relation to Lessor Forgiveness of Lease Payments (IFRS 9 and IFRS 16), giving clarification on the lessor accounting for concessions (or rental forgiveness) granted to tenants. Concessions granted to tenants consisted of reducing or waiving the rent for a specified period. The IFRIC clarified that concessions granted to tenants for rental debtors past their due date would fall under the scope of expected credit losses within IFRS 9. As such, the expected credit loss would be reflected in the Profit and Loss as part of the derecognition and provisioning of the rental debtor. Before the Agenda Decision, the Group treated concessions granted to tenants for rental debtors past their due date (predominantly in response to Covid-19), as a lease modification under IFRS 16, recognising the concession granted on a straight-line basis over the lease term.

The Group has changed its accounting policy in respect of concessions granted to tenants in the current financial year and the associated impact of this change is considered immaterial. The prior year comparative has not been restated for this change in accounting policy on the basis that the associated impact is not material.

As part of considering the Agenda Decision, the Group has reassessed the position of the tenant incentive provision on the balance sheet. Previously, this balance was accounted for as part of debtors. However, following the Agenda Decision, the Group has chosen to present the current year tenant incentive provision within investment property. The prior year tenant incentive provision has not been represented as part of this reassessment from debtors to investment property, on the basis that the amount is not material.

BL CW Upper Limited Partnership

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

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.*

The financial statements apply the recognition, measurement and presentation requirements of international accounting standards in conformity with the requirements of the Companies Act 2006, but make amendments where necessary in order to comply with the Act and take advantage of the FRS 101 exemptions. Instances in which advantages of the FRS 101 disclosure exemptions have been taken are set out below.

The partnership has taken advantage of the exemption under S.408 Companies Act 2006, to prepare an individual Income Statement where Group accounts are prepared.

The partnership 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 period in the event of a prior period adjustment
- (b) the requirements of IAS 1 to provide a statement of cash flows for the period
- (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 IFRSs 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
- (i) the requirements of paragraphs 91-99 of IFRS 13 'Fair Value Measurement' to disclose information of fair value valuation techniques and inputs

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

Going concern

Group

The partners consider that the Group has adequate resources to continue trading for the foreseeable future, with no external borrowings falling due within 12 months from the signing date of these financial statements and sufficient available debt facilities and funding from partners enabling the Group to complete development and meet all liabilities as they fall due

As a consequence of this the partners feel that the Group is well placed to manage its financing and other business risks satisfactorily despite the uncertain economic climate, and have a reasonable expectation that the Group has adequate resources to continue in operation for at least 12 months from the signing date of these financial statements. Accordingly, they believe the going concern basis is an appropriate one.

BL CW Upper Limited Partnership

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Partnership

The partners consider the Partnership to be a going concern and the financial statements are prepared on this basis. The Statement of Financial Position shows that the Partnership has net current liabilities of £99,136 which, subsequent to year end, is owed in its entirety to its subsidiary BL CW Holdings Limited. The Partnership has net assets of £567,653,438. The subsidiary has no intention to require these amounts to be repaid, in whole or in part, for at least 12 months from the date of signing these accounts unless the partnership has sufficient resources to do so.

The partners have assessed the cash flow requirement of the Partnership for at least 12 months of signing these accounts. The partners expect the Partnership to have sufficient resources to meet its obligations despite the current economic climate. Therefore, the partners have a reasonable expectation that the Partnership has adequate resources to continue its operations for at least 12 months after signing these financial statements and as a result they continue to adopt the going concern basis in preparing the accounts.

Revenue

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.

Revenue from the disposal of trading property

Where trading property is disposed of, the proceeds are recognised within revenue.

Cost of Sales

Costs of sales are charged against revenue on an accruals basis. These are mostly made up of property related and service charge expenses arising from renting properties to tenants and any disposals or impairment write downs of trading property.

Finance income and costs policy

Finance income payable and receivable is recognised as incurred under the accruals concept.

Administrative expenses

Administrative expenses are costs related to the general administration of the business and are incurred under the accruals concept.

Other income

Other income relates mostly to development management fees from the London Borough of Southwark and is recognised when invoiced.

BL CW Upper Limited Partnership

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Group

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.

Partnership

No provision for taxation has been made in respect of the Partnership as the partners are separately assessed for tax.

Investment property

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. The cost of properties in the course of development includes attributable interest and other associated outgoings. Interest is calculated on the development expenditure by reference to specific borrowings where relevant and otherwise on the average rate applicable to short-term loans. Interest is not capitalised where no development activity is taking place. A property ceases to be treated as a development property on practical completion.

Subleases

Subleases of trading properties are done at fair value as determined by CBRE, independent valuers not connected with the Group, in accordance with the RICS Valuation - Global Standards 2022, published by The Royal Institution of Chartered Surveyors.

Investments

Fixed asset investments, including investments in subsidiaries and associates, are stated at the lower of cost and the underlying net asset value of the investments.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other receivables

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

Trading properties

Trading properties are recognised at the lower of cost and net realisable value. Interest on the loan is capitalised to the trading property when incurred.

Trade and other payables

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

BL CW Upper Limited Partnership

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Borrowings

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derivatives and hedging

Derivative contracts are initially recognised at fair value at the date the derivative contracts are entered into, and subsequently measured at fair value. Changes in the fair value of derivatives that are not in a designated hedging relationship under IFRS 9 are recorded directly in the Income Statement. These derivatives are carried at fair value on the balance sheet.

Capital contribution

Contributed capital is classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, the partners are required to make judgements and estimates that affect the financial statements.

The general risk environment in which the Group operates has been volatile in terms of the economic and political landscape, with future sentiment remaining fragile. Higher interest rates have had an impact on property market yields, leading to a decline in property value. The partners remain mindful of ongoing macroeconomic challenges, including upward yield pressure.

Key sources of estimation uncertainty

The key source of estimation uncertainty for the Group relates to the valuation of the property portfolio where an external valuation is obtained. Refer to note 9 for sensitivities applied to the investment property value. 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 key source of estimation uncertainty relates to the Company's investments in and loans to subsidiaries and joint ventures. In estimating the requirement for impairment of investments, management make assumptions and judgements on the value of these investments using inherently subjective underlying asset valuations, supported by independent valuers with reference to investment properties held by the subsidiary or joint ventures which are held at fair value. The assumptions and inputs used in determining the fair value are disclosed in Note 10 of the consolidated financial statements.

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 and partnership's business to be limited.

Critical accounting judgements:

The partners do not consider there to be any other critical accounting judgements in the preparation of the Group or Partnership financial statements.

BL CW Upper Limited Partnership

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

4 Revenue

The analysis of the Group's revenue for the year is as follows:

	2023 £	2022 £
Rental income from investment property	7,026,032	6,907,541
Other revenue (Note 12)	36,663,635	(1,260)
Service charge income	4,183,026	3,329,995
	<u>47,872,693</u>	<u>10,236,276</u>

5 Other operating income

The analysis of the Group's other operating income for the year is as follows:

	2023 £	2022 £
Other operating income	<u>335,506</u>	<u>202,620</u>

6 Finance costs

	2023 £	2022 £
Finance costs		
Interest on bank overdrafts and borrowings	27,326	-
Revaluation of interest rate swaps	805,817	-
Total finance costs	<u>833,143</u>	<u>-</u>

An interest rate swap to a fixed rate was entered in the year to hedge against movements in SONIA.

7 Staff costs

No party received any remuneration for services to the Group in either year. Average number of employees of the Group during the year was nil (2022: nil).

8 Auditors' remuneration

A notional charge of £15,600 (2022: £15,000) is deemed payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements for the Partnership for the year ended 31 March 2023. Actual amounts payable to PricewaterhouseCoopers LLP are paid by BL CW Holdings Limited.

Audit fees payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements for the Group were £85,384 (2022: £80,600).

No non-audit fees (2022: £nil) were paid to PricewaterhouseCoopers LLP for the Partnership or the Group.

BL CW Upper Limited Partnership

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

9 Income tax

	2023 £	2022 £
(Loss)/profit before taxation	(132,757,722)	94,780,240
Tax on (loss)/profit at UK corporation tax rate of 19%	(25,223,967)	18,008,246
(Increase)/decrease in fair value of property and investments	19,140,189	(18,763,360)
Capital allowances	(314,649)	(334,983)
Income not taxable/expenses not allowable	87,135	43,500
REIT exempt income and gains	-	(712,546)
Group relief	-	(6,756)
Trading losses carried forward	6,314,566	1,765,899
Tax charge	<u>3,274</u>	<u>-</u>

On 24 May 2021 legislation was substantially enacted to increase the corporation tax rate to 25% from 1 April 2023. Where relevant this has been reflected in the deferred tax calculation.

10 Investment properties

Group

	£
Fair value	
1 April 2022	545,232,715
Lease incentive movements	(1,372)
Additions	79,571,000
Revaluation	(99,932,343)
31 March 2023	<u>524,870,000</u>
Fair value	
1 April 2021 (unaudited)	387,300,000
Lease incentive movements	(127,484)
Additions	83,374,033
Transfers	(24,067,358)
Revaluation	98,753,524
31 March 2022	<u>545,232,715</u>
Analysis of cost and valuation	
31 March 2023	
Cost	540,005,829
Valuation	(15,135,829)
Net book value	<u>524,870,000</u>

BL CW Upper Limited Partnership

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

10 Investment properties (continued)

	£
31 March 2022	
Cost	460,436,201
Valuation	<u>84,796,514</u>
Net book value	<u>545,232,715</u>

At 31 March 2023 the book value of investment properties owned by the Group was £524,870,000 (2022: £545,232,715). The decrease in the year is due to a downward revaluation of investment properties. The decrease was partially offset by development costs capitalised to investment properties in the period. As at 31 March 2023, the revaluation of investment property of £99,932,343 (2022: gain of £98,754,524) has been disclosed in the Profit and Loss Account. Included in investment properties is owner occupied property of £9,000,000 (2022: £9,000,000).

The different valuation method levels are defined below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

These levels are specified in accordance with IFRS 13 'Fair Value Measurement'. Property valuations are inherently subjective as they are made on the basis of assumptions made by the valuer which may not prove to be accurate. For those reasons, we have classified the valuations of our property portfolio as Level 3 as defined by IFRS 13. Some of the inputs to the valuations are defined as "unobservable" by IFRS 13.

These key unobservable inputs are net equivalent yield (NEY) and estimated rental values (ERV) for investment properties, and costs to complete for development properties.

Investment properties, excluding properties held for development, are valued by adopting the 'investment method' of valuation. This approach involves applying capitalisation yields to current and future rental streams net of income voids arising from vacancies or rent-free periods and associated running costs. These capitalisation yields and future 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.

In the case of ongoing developments, the approach applied is the 'residual method' of valuation, which is the investment method of valuation as described above, with a deduction for all costs necessary to complete the development, including a notional finance cost, together with a further allowance for remaining risk. Properties held for development are generally valued by adopting the higher of the residual method of valuation, allowing for all associated risks, or the investment method of valuation for the existing asset.

The value of properties charged to the bank loan as of 31 March 2023 was £87,780,000.

Properties were valued to fair value at 31 March 2023 by CBRE, independent valuers not connected with the Group, in accordance with the RICS Valuation – Global Standards 2022, published by The Royal Institution of Chartered Surveyors.

BL CW Upper Limited Partnership

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

10 Investment properties (continued)

The valuers of the Group's property portfolio have a working knowledge of the various ways that sustainability and Environmental, Social and Governance factors can impact value and have considered these, and how market participants are reflecting these in their pricing, in arriving at their Opinion of Value and resulting valuations as at the balance sheet date. These may be:

- physical risks;
- transition risk related to policy or legislation to achieve sustainability and Environmental, Social and Governance targets; and
- risks reflecting the views and needs of market participants.

The Group has shared recently conducted physical climate and transitional risk assessments with the valuers which they have reviewed and taken into consideration to the extent that current market participants would.

Valuers observe, assess and monitor evidence from market activities, including market (investor) sentiment on issues such as longer-term obsolescence and, where known, future Environmental, Social and Governance related risks and issues which may include, for example, the market's approach to capital expenditure required to maintain the utility of the asset. In the absence of reliable benchmarking data and indices for estimating costs, specialist advice on cost management may be required which is usually agreed with the valuer in the terms of engagement and without which reasonable estimates/assumptions may be needed to properly reflect market expectations in arriving at the Opinion of Value.

The Group leases out all of its investment properties under operating leases. The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

Group

	2023 £	2022 £
Leases less than one year	5,222,637	5,985,642
Leases between one and five years	17,196,769	16,768,465
Leases greater than five years	4,875,129	5,303,433
	<u>27,294,535</u>	<u>28,057,540</u>

The table below shows the impact of changes in unobservable inputs (Level 3) on the fair value of the Group's property portfolio for the period ended 31 March 2023 and 31 March 2022.

Fair value 31 March 2023 £	+5% ERV £	-5% ERV £	-25 bps NEY £	+25 bps NEY £	-5% costs to complete £	+5% costs to complete £
524,870,000	588,121,897	461,525,222	602,239,794	455,116,439	599,732,011	449,915,109

Fair value 31 March 2022 £	+5% ERV £	-5% ERV £	-25bps NEY £	+25bps NEY £	-5% costs to complete £	+5% costs to complete £
545,232,715	610,938,516	479,430,430	625,604,127	472,773,014	622,999,052	467,369,894

BL CW Upper Limited Partnership

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

11 Investments

Summary of the Partnership investments

	Shares in subsidiaries £	Total £
Underlying net asset value of investment		
1 April 2022	496,915,741	496,915,741
Additions	111,328,000	111,328,000
Provision for Impairment	<u>(40,491,167)</u>	<u>(40,491,167)</u>
31 March 2023	<u>567,752,574</u>	<u>567,752,574</u>
Underlying net asset value of investment		
1 April 2021 (unaudited)	97,359,472	97,359,472
Additions	396,915,740	396,915,740
Write-back of impairment	<u>2,640,529</u>	<u>2,640,529</u>
31 March 2022	<u>496,915,741</u>	<u>496,915,741</u>
Provision for impairment		
1 April 2022	-	-
Provision for impairment	<u>(40,491,167)</u>	<u>(40,491,167)</u>
31 March 2023	<u>(40,491,167)</u>	<u>(40,491,167)</u>
Provision for impairment		
1 April 2021 (unaudited)	(2,640,529)	(2,640,529)
Write-back of impairment	<u>2,640,529</u>	<u>2,640,529</u>
31 March 2022	<u>-</u>	<u>-</u>
At cost		
31 March 2023	<u>608,243,741</u>	<u>608,243,741</u>
31 March 2022	<u>496,915,741</u>	<u>496,915,741</u>

The partnership recognised an impairment loss of its investment in BL CW Holdings Limited of £40,491,167 as a result of the revaluation loss of investment and trading properties in the year.

The following subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of Section 479A of that Act.

BL CW Upper Limited Partnership

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

11 Investments (continued)

Company name	Company number
BL CW Phase 1 Holding Company Limited	14264502
BL CW Developments Infrastructure Company Limited	12253583
BL CW Developments Plot D1 Company Limited	10997879
BL CW Developments Plot F1 F2 F3 Company Limited	12253559
BL CW Developments Plot G1 Limited	10782458
BL CW Developments Plot H1 H2 Company Limited	12141281
BL CW Developments Plot L1 L2 L3 Company Limited	12140906
BL CW Lower LP Company Limited	10663474
BL CW Holdings No2 Company Limited	07667834
BL CW Holdings Plot G1 Company Limited	10781471

The following qualifying partnership is exempt from the requirements to prepare, publish and have audited individual accounts by virtue of regulation 7 of The Partnerships (Accounts) Regulations 2008. The results of the partnership are consolidated within these Group accounts:

BL CW Lower Limited Partnership (LP017939)

Details of the subsidiaries as at 31 March 2023 are as follows:

Subsidiary	Principal activity	Interest	Country
BL CW Holdings Limited*	Property Investment	100%	United Kingdom
BL CW Lower GP Company Limited	Dormant	100%	United Kingdom
BL CW Lower LP Company Limited	Dormant	100%	United Kingdom
BL CW Lower Limited Partnership	Dormant	100%	United Kingdom
BL CW Holdings Plot A1 Company Limited	Dormant	100%	United Kingdom
BL CW Holdings Plot A2 Company Limited	Dormant	100%	United Kingdom
BL CW Holdings Plot D1/2 Company Limited	Dormant	100%	United Kingdom
BL CW Holdings Plot G1 Company Limited	Dormant	100%	United Kingdom
BL CW Holdings Plot K1 Company Limited	Property investment	100%	United Kingdom
BL CW Holdings Plots L1 L2 L3 Company Limited	Dormant	100%	United Kingdom
BL CW Holdings Plots H1 H2 Company Limited	Dormant	100%	United Kingdom
BL CW Holdings Plots F1 F2 F3 Company	Dormant	100%	United Kingdom
BL CW Developments Limited*	Development	100%	United Kingdom
BL CW Developments Infrastructure Company Limited	Development	100%	United Kingdom
BL CW Developments Plot A1 Limited	Development	100%	United Kingdom
BL CW Developments Plot A2 Limited	Development	100%	United Kingdom
BL CW Developments Plot K1 Company Limited	Development	100%	United Kingdom
BL CW Developments Plot D1 Company Limited	Development	100%	United Kingdom
BL CW Developments Plot F1 F2 F3 Company Limited	Development	100%	United Kingdom

BL CW Upper Limited Partnership

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

11 Investments (continued)

Subsidiary	Principal activity	Interest	Country
BL CW Developments Plot G1 Limited	Development	100%	United Kingdom
BL CW Developments Plot H1 H2 Company Limited	Development	100%	United Kingdom
BL CW Developments Plot L1 L2 L3 Company Limited	Development	100%	United Kingdom
BL CW Phase 1 Holding Company Limited	Investment Holding	100%	United Kingdom
BL CW Holdings No2 Company Limited	Dormant	100%	United Kingdom

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

All investments marked with a * are directly held investments.

12 Trading properties

	2023 £	2022 £
Opening balance	19,867,285	-
Additions	49,352,565	28,285,413
Impairment loss	(17,919,776)	(8,418,128)
Disposals	(36,663,635)	-
Loss on disposal	(14,636,439)	-
Closing balance	<u>-</u>	<u>19,867,285</u>

During the year ended 31 March 2023, an impairment of £17,919,776 (2022: £8,418,128) was recognised in relation to the valuation of Plot K1. On 8 February 2023, the Group transferred trading property to BL CW Plot A1 Trading Limited Partnership, a related party, for £36,673,635 which was the market value on this date. A loss on disposal of £14,636,439 (2022: £nil) was recognised.

BL CW Upper Limited Partnership

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

13 Trade and other receivables

	Group		Partnership	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£	£	£	£
Trade receivables	513,429	1,156,584	-	-
Provision for impairment of trade receivables	(134,976)	-	-	-
Net trade receivables	378,453	1,156,584	-	-
Receivables from related parties	26,669,965	-	-	-
Prepayments	379,567	136,678	-	-
VAT and Other receivables	14,733,610	81,216	-	-
	<u>42,161,595</u>	<u>1,374,478</u>	<u>-</u>	<u>-</u>

Intercompany receivables are non-interest bearing and are repayable on demand for the current and prior year.

14 Cash and cash equivalents

	Group		Partnership	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£	£	£	£
Cash at bank	2,288,266	39,447,182	6,176	-
Short-term deposits	39,000,000	-	-	-
	<u>41,288,266</u>	<u>39,447,182</u>	<u>6,176</u>	<u>-</u>

15 Trade and other payables

	Group		Partnership	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£	£	£	£
Trade payables	663,773	405,566	-	-
Accrued expenses	18,491,483	13,234,929	38,085	12,280
Amounts due to related parties	1,219,825	585,416	67,227	2,256
Other creditors and deferred income	17,464,550	2,479,123	-	-
	<u>37,839,631</u>	<u>16,705,034</u>	<u>105,312</u>	<u>14,536</u>

Intercompany payables are non-interest bearing and are repayable on demand for the current and prior year.

Amounts due to related parties are in respect of amounts owed to BL CW Plot A1 Trading Limited Partnership as at 31 March 2023. Within deferred income is the deferred premium received from the London Borough of Southwark in respect of Plot K1.

BL CW Upper Limited Partnership

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

16 Loans and borrowings

	Group		Partnership	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£	£	£	£
Non-current loans and borrowings				
Bank borrowings	<u>1,890,681</u>	<u>-</u>	<u>-</u>	<u>-</u>

	31 March 2023 £	31 March 2022 £
Maturity analysis of gross debt of the Group		
Repayable within one year and on demand	-	-
Due within one to two years	-	-
Due within two to five years	1,890,681	-
Due in more than five years	-	-
Gross debt of the Group	<u>1,890,681</u>	<u>-</u>

On 1 March 2023 two subsidiaries of the Group along with BL CW Holdings Plot A1 Trading Limited Partnership entered into a £150m Green loan facility to support development costs. National Westminster Bank and Crédit Agricole Corporate & Investment Bank provided the loan and acted as Mandated Lead Arrangers and Green Loan Advisers and provided the related hedging. NatWest provided hedging for A1 and Credit Agricole provided hedging for A2. The loan for three years is secured on the mixed-use Phase 1 project. The Group is targeting at least BREEAM Excellent for its investment property, enabling the loan and hedging to be designated as 'Green'. The loan drawn by the Group's subsidiaries at 31 March 2023 was £3.4m. The £1.9m per the maturity analysis above is net of debt transaction costs.

BL CW Upper Limited Partnership

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

16 Loans and borrowings (continued)

Risk Management

Capital risk management:

The Group finances its operations by a mixture of equity and bank financing to support the property development strategy of the Group.

Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Cash and short-term deposits at 31 March 2023 amounted to £41,288,266 (2022: £39,447,182) and are placed with financial institutions A or better credit ratings. At 31 March 2023, the largest combined credit exposure to a single counterparty arising from money market deposits was £39,000,000 (2022: £nil). This represents 6.41% (2022: nil) of gross assets.

In order to manage credit risk, management regularly reviews the credit rating of credit counterparties and monitors all amounts that are owed to the Group.

Interest rate risk:

The Group uses interest rate swaps to hedge exposure to the variability in cash flows on the debt. As at 31 March 2023, the fair value of the interest rate swaps was a liability of £805,817.

Liquidity risk:

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial liabilities. The risk is managed through day to day monitoring of future cash flow requirements to ensure that the Group has resources to pay future liabilities as they fall due.

The maturity analysis table presented above represents the contracted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay the debt.

17 Other non-current financial liabilities

Group

	2023 £	2022 £
Interest rate derivative liability	805,817	-

Fair value hierarchy

The fair value hierarchy level as defined in IFRS 13 of interest rate derivatives held at fair value is Level 2. The fair value hierarchy is defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The amount related to the interest rate derivative liability of £805,817 (2022: £nil) is categorised as Level 2 in the fair value hierarchy as defined by IFRS 13. The fair value hierarchy levels are defined above.

BL CW Upper Limited Partnership

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

18 Capital contribution

Group and Partnership

	31 March 2023		31 March 2022	
	No.	£	No.	£
Partner Capital of £1 each	<u>608,243,741</u>	<u>608,243,741</u>	<u>496,915,642</u>	<u>496,915,642</u>

In the current year, BL CW Upper Limited Partnership issued additional capital of £111,328,099 (2022: £496,915,542) to its partners. This was due to a capitalisation of funding from the Canada Water Joint Venture Partners.

19 Commitments

Group

Capital commitments

The total amount contracted for but not provided in the financial statements was £202,075,048 (2022: £233,741,425).

Partnership

Capital commitments

The total amount contracted for but not provided in the financial statements was £nil (2022: £nil).

20 Contingent liabilities

Partnership

The partnership had contingent liabilities at 31 March 2023 of £nil (2022: £nil).

BL CW Upper Limited Partnership

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

21 Related party transactions

Related party disclosures noted below are in respect of transactions between the Group and its related parties as defined by International Accounting Standard 24.

During the year, British Land Property Management Limited received £3,870,182 (2022: £272,267) for development manager fees, £1,551,996 (2022: £137,963) for asset management services, and £741,430 (2022: £50,502) for finance and administration services, provided to the Group.

British Land Property Services Limited received £382,791 (2022: £nil) for estate and property management services.

On 8 February 2023, the Group transferred trading property to BL CW Plot A1 Trading Limited Partnership for £36,673,636 which was the market value on this date.

British Land Property Management Limited and British Land Property Services Limited are wholly owned subsidiaries of The British Land Company PLC. The British Land Company PLC is the ultimate parent company of BL CW Upper LP Company Limited which owns 50% of the partnership capital of the Partnership.

22 Partners

The partnership is a joint venture between BL CW Upper LP Company Limited and AS Property CW 1 Trust "AustralianSuper" acting by its trustee, Perpetual Corporate Trust Limited which is ultimately controlled by AustralianSuper Pty Ltd.

The most senior parent entity producing publicly available financial statements is The British Land Company PLC and AustralianSuper Pty Ltd. These financial statements are available upon request from British Land, York House, 45 Seymour Street, London, W1H 7LX and AustralianSuper, Level 18, 123 Pitt Street, Sydney NSW 2000, Australia

23 Subsequent events

There have been no significant events since the year end.