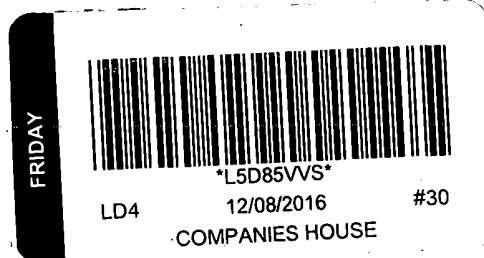

Shopping Centres Limited

Annual Report and Accounts

15 Month Period ended 31 March 2016

Company number: 02230056



Shopping Centres Limited

CONTENTS
for the period ended 31 March 2016

Page:

1	Strategic Report
3	Directors' Report
5	Independent Auditors' Report to the Members of Shopping Centres Limited
7	Profit and Loss Account
8	Statement of Comprehensive Income
9	Balance Sheet
10	Statement of Changes in Equity
11	Notes to the Accounts

Shopping Centres Limited
STRATEGIC REPORT
for the period ended 31 March 2016

The directors present their Strategic Report for the period ended 31 March 2016. In order to bring the company's year-end in line with that of the ultimate holding company and controlling party, The British Land Company PLC, the company's financial statements present a long period of account in the current period.

Principal activities

Shopping Centres Limited ("the company") is a wholly owned subsidiary of TBL Properties Limited and operates as a constituent of The British Land Company PLC group of companies (the "group").

The company's principal activity is that of an investment holding company in the United Kingdom (UK).

Business review

The company does not generate revenue. As shown in the company's Profit and Loss Account on page 7, the company's profit on ordinary activities before taxation has decreased compared with the prior year due to decrease in dividends received from subsidiaries of £7,700,000 (31 December 2014: £9,000,000).

Dividends of £8,600,000 (31 December 2014: £39,259,000) were paid in the period.

The Balance Sheet on page 9 shows that the company's financial position at the period end is, in net asset terms, a decrease from the prior year.

The value of investments held at 31 March 2016 remained consistent during the period as shown in note 7 to the company's Balance Sheet.

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

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

The expected future developments of the company are determined by the strategy of the group. There are no future developments outside of the company's current operations planned.

For more information also see the The British Land Company PLC group annual report.

The performance of the group, which includes the company, is discussed in the group's annual report which does not form part of this report.

Principal risks and uncertainties

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

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

- demand for space from occupiers against available supply;
- identification and execution of investment and development strategies which are value enhancing;
- availability of financing or refinancing at an acceptable cost;
- economic cycles, including their impact on tenant covenant quality, interest rates, inflation and property values;
- legislative changes, including planning consents and taxation;
- key staff changes;
- environmental and health and safety policies; and
- the period of uncertainty for the UK economy and real estate markets resulting from the decision on 23 June 2016 of the UK electorate to vote to leave the European Union.

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.

Shopping Centres Limited

STRATEGIC REPORT (CONTINUED)
for the period ended 31 March 2016

The company is financed by a variable interest rate loan from its ultimate holding company and has no third party debt. Interest can be charged at 0% where the company is not active or where to do so would put the company in financial difficulty.

The company has no third party debt. It therefore has no interest rate exposure.

The financial risks for the company are managed in accordance with the group financial risk management policy, as disclosed in the consolidated group accounts.

This report was approved by the Board on *9 August 16* and signed by the order of the board by:



N. Ekpo
Secretary

Shopping Centres Limited

**DIRECTORS' REPORT
for the period ended 31 March 2016**

The directors present their Annual Report on the affairs of the company, together with the audited financial statements and independent auditors' report for the period ended 31 March 2016.

Environment

Across the group, The British Land Company PLC recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies. The group's full sustainability report is available online at www.britishland.com/sustainability/reports-and-publications/2016.

Directors

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

S M Barzycki
A E Clark (resigned 19 March 2015)
C M J Forshaw
B Lewis
D Richards
H E Lu (resigned 19 March 2015)
C S A Maudsley
J Gibney (appointed 19 January 2015, resigned 19 March 2015)

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The company has indemnified its current directors. The indemnity arrangements are qualifying indemnity provisions under the Companies Act 2006 and are currently in force at the date of this Annual Report.

Payments policy

In the absence of dispute, amounts due to trade and other suppliers are settled as expeditiously as possible within their terms of payment. Payments are administered on a consistent basis throughout the group by The British Land Company PLC whose suppliers' days outstanding at 31 March 2016 were 34 (31 December 2014: 34).

Subsequent events

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

Going concern

The directors consider the company to be a going concern and the accounts are prepared on this basis. Details of this are shown in note 1 of the financial statements. When assessing the company's going concern status the directors have taken into account the UK electorate's decision on 23 June 2016 to vote to leave the European Union, and the resulting period of uncertainty for the UK economy and real estate markets.

Shopping Centres Limited

**DIRECTORS' REPORT (CONTINUED)
for the period ended 31 March 2016**

Disclosure of information to auditors

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

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

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

Independent auditors

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.

This report was approved by the Board on 9 August 16 and signed by the order of the board by:



N. Ekpo
Secretary

Shopping Centres Limited

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SHOPPING CENTRES LIMITED
for the period ended 31 March 2016**

Report on the financial statements

Our opinion

In our opinion, Shopping Centres Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the 15 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 March 2016;
- the Profit and Loss Account and Statement of Comprehensive Income for the period then ended;
- the Statement of Changes in Equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Shopping Centres Limited

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SHOPPING CENTRES LIMITED (CONTINUED)
for the period ended 31 March 2016**

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

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

In addition, we read all the financial and non-financial information in the Annual report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Saira Choudhry

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

11 August 2016

Shopping Centres Limited

PROFIT AND LOSS ACCOUNT
for the period ended 31 March 2016

	Note	15 month period ended 31 March 2016 £	Year ended 31 December 2014 £
Administrative expenses		(147,742)	(60,794)
Income from shares in group undertakings		7,700,000	9,000,000
Operating profit		7,552,258	8,939,206
Profit on ordinary activities before interest and taxation		7,552,258	8,939,206
Interest receivable and similar income	2	8,869	11,309
Interest payable and similar charges	3	-	(294,182)
Profit on ordinary activities before taxation	4	7,561,127	8,656,333
Tax on profit on ordinary activities	6	-	-
Profit for the financial period/year		7,561,127	8,656,333

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

Administrative expenses include a write-off of expenses previously accrued which the company is no longer liable for.

Shopping Centres Limited

STATEMENT OF COMPREHENSIVE INCOME
for the period ended 31 March 2016

	15 month period ended 31 March 2016 £	Year ended 31 December 2014 £
Profit for the financial period/year	7,561,127	8,656,333
Total comprehensive income for the period/year	7,561,127	8,656,333


Shopping Centres Limited

BALANCE SHEET
as at 31 March 2016

	Note	31 March 2016 £	31 December 2014 £
Fixed assets			
Investments	7	1,001	1,001
		<u>1,001</u>	<u>1,001</u>
Current assets			
Debtors	8	81,341,140	80,584,685
		<u>81,341,140</u>	<u>80,584,685</u>
Creditors due within one year	9	(70,427,242)	(68,631,914)
Net current assets		<u>10,913,898</u>	<u>11,952,771</u>
Net assets		<u>10,914,899</u>	<u>11,953,772</u>
Capital and reserves			
Called up share capital	10	1,001	1,001
Share premium		10,591,650	10,591,650
Profit and loss account		322,248	1,361,121
Total equity		<u>10,914,899</u>	<u>11,953,772</u>

The financial statements of Shopping Centres Limited, company number 02230056, on pages 7 to 15, were approved by the Board of Directors and authorised for issue on 9 August 16 and signed on its behalf by:

Director


S. Barzycki

Shopping Centres Limited

**STATEMENT OF CHANGES IN EQUITY
for the period ended 31 March 2016**

	Called up share capital £	Share premium £	Profit and loss account £	Total equity £
Balance at 1 January 2014	1,001	10,591,650	31,963,788	42,556,439
Profit for the financial year	-	-	8,656,333	8,656,333
Total comprehensive income for the year	-	-	8,656,333	8,656,333
Dividends payable in year	-	-	(39,259,000)	(39,259,000)
Balance at 31 December 2014	1,001	10,591,650	1,361,121	11,953,772
Profit for the financial period	-	-	7,561,127	7,561,127
Total comprehensive income for the period	-	-	7,561,127	7,561,127
Dividends payable in period	-	-	(8,600,000)	(8,600,000)
Balance at 31 March 2016	1,001	10,591,650	322,248	10,914,899

Shopping Centres Limited

**NOTES TO THE ACCOUNTS
for the period ended 31 March 2016**

1. Accounting policies

The principal accounting policies adopted by the directors are summarised below. They have all been applied consistently throughout the current period and previous year.

Basis of preparation

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

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

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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

These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of The British Land Company PLC. Details of the parent in whose consolidated financial statements the company is included in are shown in note 14 to the financial statements.

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

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

Disclosure exemptions for subsidiaries are permitted where the relevant disclosure requirements are met in the consolidated financial statements. Where required, equivalent disclosures are given in the group accounts of The British Land Company PLC. The group accounts of The British Land Company PLC are available to the public and can be obtained as set out in note 14.

Going concern

Having reviewed the company's forecast working capital and cash flow requirements, in addition to making enquiries and examining areas which could give risk to financial exposure, the directors have a reasonable expectation that the company has adequate resources to continue its operations for the foreseeable future. As a result they continue to adopt the going concern basis in preparing the accounts.

Significant judgements and sources of estimation uncertainty

The key source of estimation uncertainty relates to the valuation of the property portfolio and investments, where an external valuation is obtained. In accounting for net rental income, the group is required to judge the recoverability of any income accrued and provides against the credit risk on these amounts. The potential for management to make judgements or estimates relating to those items which would have a significant impact on the financial statements is considered, by the nature of the group's business, to be limited.

Shopping Centres Limited

**NOTES TO THE ACCOUNTS (CONTINUED)
for the period ended 31 March 2016**

1. Accounting policies (continued)

Investments

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

Taxation

Current tax is based on taxable profit for the period 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.

2. Interest receivable and similar income

	15 month period ended 31 March 2016 £	Year ended 31 December 2014 £
Interest receivable on amounts owed by group	8,869	9,536
External - other	-	1,773
Total interest receivable	8,869	11,309

3. Interest payable and similar charges

	15 month period ended 31 March 2016 £	Year ended 31 December 2014 £
Interest payable on amounts owed to group	-	(294,182)
Total interest payable	-	(294,182)

4. Profit on ordinary activities before taxation

Auditors' remuneration

A notional charge of £1,000 (31 December 2014: £2,000) is deemed payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements. Actual amounts payable to PricewaterhouseCoopers LLP are paid at group level by The British Land Company PLC.

No non-audit fees (31 December 2014: £nil) were paid to PricewaterhouseCoopers LLP.

5. Staff numbers and costs

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

Average number of employees, excluding directors, of the company during the period was nil (31 December 2014: nil).

Shopping Centres Limited

NOTES TO THE ACCOUNTS (CONTINUED)
for the period ended 31 March 2016

6. Tax on profit on ordinary activities

	15 month period ended 31 March 2016 £	Year ended 31 December 2014 £
Current tax		
UK corporation tax	-	-
Adjustments in respect of prior years	-	-
Total current taxation charge	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax charge	-	-
Total taxation charge	-	-
Tax reconciliation		
Profit on ordinary activities before taxation	7,561,127	8,656,333
Tax on profit on ordinary activities at UK corporation tax rate of 20.2% (2014: 21.5%)	1,527,348	1,860,518
Effects of:		
Income not taxable for tax purposes	(1,516,543)	(1,934,384)
Transfer pricing adjustments	-	63,229
Group relief (claimed)/surrendered for nil consideration	(10,805)	10,637
Total tax charge	-	-

Reductions to the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. These rate reductions have been reflected in the calculation of deferred tax at the Balance Sheet date.

Shopping Centres Limited

NOTES TO THE ACCOUNTS (CONTINUED)
for the period ended 31 March 2016

7. Investments

	Shares in subsidiaries £	Total £
Underlying net asset value of investment 1 January 2015	1,001	1,001
31 March 2016	1,001	1,001
Underlying net asset value of investment 1 January 2014	1,001	1,001
31 December 2014	1,001	1,001
Provisions for underlying net asset change 1 January 2015	-	-
31 March 2016	-	-
Provisions for underlying net asset change 1 January 2014	-	-
31 December 2014	-	-
At cost		
31 March 2016	1,001	1,001
31 December 2014	1,001	1,001

8. Debtors

	31 March 2016 £	Restated 31 December 2014 £
Current debtors (due within one year)		
Amounts owed by group companies - current accounts	81,291,284	80,453,348
Corporation tax	-	102,677
Other debtors	21,196	-
Prepayments and accrued income	28,660	28,660
	81,341,140	80,584,685

Shopping Centres Limited

NOTES TO THE ACCOUNTS (CONTINUED)
for the period ended 31 March 2016

9. Creditors due within one year

	31 March 2016 £	Restated 31 December 2014 £
Amounts owed to group companies - current accounts	70,291,637	68,438,000
Other taxation and social security	118,110	117,289
Other creditors	17,495	76,625
	70,427,242	68,631,914

10. Called up share capital

	31 March 2016 £	31 December 2014 £
Issued share capital - allotted, called up and fully paid		
Ordinary Shares of £1.00 each		
Balance as at 1 January and 31 March/31 December: 1,001 shares	1,001	1,001

11. Capital commitments

The company had capital commitments contracted as at 31 March 2016 of £nil (31 December 2014: £nil).

12. 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.

The company had no contingent liabilities as at 31 March 2016 (31 December 2014: £nil).

13. Subsequent events

On 23 June 2016 the UK electorate voted to leave the European Union. This decision commences a process that is likely to take a minimum of two years to complete, and during this time the UK remains a member of the European Union. There will be a resulting period of uncertainty for the UK economy and real estate markets, with increased volatility expected in financial markets. This does not impact the fair value of assets and liabilities, including investment properties where relevant, reported at the balance sheet date of 31 March 2016.

14. Immediate parent and ultimate holding company

The immediate parent company is TBL Properties Limited.

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