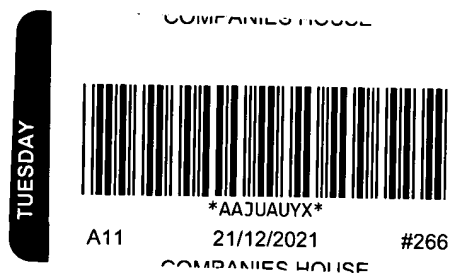


Registration number: 03707216

Broadgate (PHC 15b) Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2021



Broadgate (PHC 15b) Limited

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Broadgate (PHC 15b) Limited

Strategic Report for the Year Ended 31 March 2021

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

Business review and principal activities

Broadgate (PHC 15b) Limited ("the company") is a wholly owned subsidiary of Bluebutton Properties UK Limited and operates as a constituent of Broadgate REIT Limited group of companies ("the group"). Broadgate REIT Limited operates as a joint venture between Euro Bluebell LLP, an affiliate of GIC, Singapore's sovereign wealth fund, and BL Bluebutton 2014 Limited, a wholly owned subsidiary of The British Land Company PLC.

The company's principal activity is property investment in the United Kingdom (UK).

As shown in the company's Profit and Loss Account on page 8, the company's turnover of £6,337,259 has decreased by £3,082,423 compared with turnover of £9,419,682 in the prior year. Loss on ordinary activities before taxation is £6,655,207 compared to a profit on ordinary activities before taxation of £3,770,673 in the prior year. The current year loss is primarily driven by a downward revaluation of investment property, compared to an increase in the prior period.

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

The revaluation of investment properties in the year was a deficit of £7,503,469 (2020: surplus of £2,516,267).

The Balance Sheet on page 10 shows that the company's financial position at the year end has, in net assets terms, decreased compared with the prior year.

The company holds the investment property 2 Finsbury Avenue. The value of investment properties held as at 31 March 2021 has decreased by 1.7% from 31 March 2020 as shown in note 8 to the company's Balance Sheet. Details of how investment properties are valued can be found in note 8 to the company's balance sheet. The movement is determined by the prevailing market conditions at the balance sheet date.

The expected future developments of the company are determined by the strategy of the group.

Key performance indicators

The directors measure how the group, of which this company is a member, is delivering its strategy through the key performance indicators.

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

Principal risks and uncertainties

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

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

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

The company is financed by loans from Bluebutton Properties UK Limited. There is no interest charged on the loan from Bluebutton Properties UK Limited. The company has no third party debt.

Broadgate (PHC 15b) Limited

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


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

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

15.12.2021

Approved by the Board on and signed on its behalf by:

DocuSigned by:

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Hursh Shah

Director

Broadgate (PHC 15b) Limited

Directors' Report for the Year Ended 31 March 2021

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

Directors of the company

The directors, who held office during the year, and up to the date of signing the financial statements, were as follows:

H Shah

D I Lockyer

D Richards

Directors' responsibilities statement

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 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.

Environmental matters

The company 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 company's activities. The company operates in accordance with best practice policies and initiatives designed to minimise the company's impact on the environment including the safe disposal of manufacturing waste, recycling and reducing energy consumption.

Going concern

The balance sheet shows that the company has net current liabilities. This is due to amounts owed to other subsidiaries within the group. The directors consider that the company has adequate resources to continue trading for the foreseeable future, with no external borrowings and a working capital cycle enabling the company to meet all liabilities as they fall due.

As a consequence of this, the directors feel that the company can continue to trade for the foreseeable future and is well placed to manage its business risks successfully in the current economic climate. Accordingly, they believe the going concern basis is an appropriate one.

Subsequent Events

Details of significant events since the Balance Sheet date, if any, are contained in note 18.

Broadgate (PHC 15b) Limited

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

Disclosure of information to the auditors

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

Reappointment of independent auditors

The auditors, 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.

15.12.2021

Approved by the Board on and signed on its behalf by:

DocuSigned by:

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Hursh Shah

Director

Independent auditors' report to the members of Broadgate (PHC 15b) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Broadgate (PHC 15b) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2021; the Profit and Loss Account, the Statement of Comprehensive Income and the Statement of Changes in Equity 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 company 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

Our responsibilities and the responsibilities of the directors 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 directors 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 Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

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

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2021 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 company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. 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 investment properties. Audit procedures performed by the engagement team included:

- Discussions with management and internal audit, 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 the Company's litigation register in so far as it related to non-compliance with laws and regulations and fraud;
- Reviewing relevant meeting minutes;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing of expenses;
- Challenging assumptions made by management in relation to areas of judgment and significant accounting estimates, including involving PwC valuation specialists to challenge the assumptions used in the valuation of investment property; 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.

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 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.

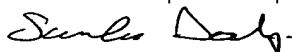
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the 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
15 December 2021

Broadgate (PHC 15b) Limited**Profit and Loss Account for the Year Ended 31 March 2021**

	Note	2021 £	2020 £
Turnover	4	6,337,259	9,419,682
Cost of sales		<u>(5,468,997)</u>	<u>(7,753,528)</u>
Gross profit		868,262	1,666,154
Administrative expenses		<u>(20,000)</u>	<u>(411,748)</u>
Operating profit		848,262	1,254,406
Revaluation of investment properties	8	<u>(7,503,469)</u>	<u>2,516,267</u>
(Loss)/profit on ordinary activities before taxation		(6,655,207)	3,770,673
Tax on (loss)/profit on ordinary activities	7	<u>-</u>	<u>-</u>
(Loss)/profit for the year		<u><u>(6,655,207)</u></u>	<u><u>3,770,673</u></u>

Turnover and results were derived from continuing operations within the United Kingdom. The company has only one class of business, that of property investment in the United Kingdom (UK).

The notes on pages 12 to 19 form an integral part of these financial statements.

Broadgate (PHC 15b) Limited

Statement of Comprehensive Income for the Year Ended 31 March 2021

	2021 £	2020 £
(Loss)/profit for the year	<u>(6,655,207)</u>	<u>3,770,673</u>
Total comprehensive income/(expense) for the year	<u><u>(6,655,207)</u></u>	<u><u>3,770,673</u></u>

The notes on pages 12 to 19 form an integral part of these financial statements.

Broadgate (PHC 15b) Limited

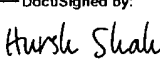
(Registration number: 03707216)

Balance Sheet as at 31 March 2021

	Note	31 March 2021 £	31 March 2020 £
Fixed assets			
Investment properties	8	<u>77,825,000</u>	<u>79,200,000</u>
		<u>77,825,000</u>	<u>79,200,000</u>
Current assets			
Debtors	9	<u>7,816,800</u>	<u>8,490,363</u>
		<u>7,816,800</u>	<u>8,490,363</u>
Creditors due within one year	10	<u>(74,171,605)</u>	<u>(69,564,961)</u>
Net current liabilities		<u>(66,354,805)</u>	<u>(61,074,598)</u>
Net assets		<u>11,470,195</u>	<u>18,125,402</u>
Capital and reserves			
Called up share capital	11	<u>13,836,712</u>	<u>13,836,712</u>
Profit and loss account		<u>(2,366,517)</u>	<u>4,288,690</u>
Total shareholders' funds		<u>11,470,195</u>	<u>18,125,402</u>

15.12.2021

Approved by the Board on and signed on its behalf by:

DocuSigned by:

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 Hursh Shah

Director

The notes on pages 12 to 19 form an integral part of these financial statements.

Broadgate (PHC 15b) Limited**Statement of Changes in Equity for the Year Ended 31 March 2021**

	Share capital £	Profit and loss account £	Total £
Balance at 1 April 2019	13,836,712	518,017	14,354,729
Profit for the year	-	3,770,673	3,770,673
Total comprehensive income for the year	-	3,770,673	3,770,673
Balance at 31 March 2020	13,836,712	4,288,690	18,125,402
 Balance at 1 April 2020	 13,836,712	 4,288,690	 18,125,402
Loss for the year	-	(6,655,207)	(6,655,207)
Total comprehensive expense for the year	-	(6,655,207)	(6,655,207)
Balance at 31 March 2021	13,836,712	(2,366,517)	11,470,195

The notes on pages 12 to 19 form an integral part of these financial statements.

Broadgate (PHC 15b) Limited

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

1 General information

The company is a private company limited by share capital, incorporated and domiciled in England, United Kingdom.

The address of its registered office is:

York House
45 Seymour Street
London
W1H 7LX

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of 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 Broadgate REIT Limited.

Summary of disclosure exemptions

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

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

Broadgate (PHC 15b) Limited

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

2 Accounting policies (continued)

- (i) The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement to disclose information of fair value valuation techniques and inputs.

Disclosure exemptions for subsidiaries are permitted where the relevant disclosure requirements are met in the consolidated financial statements. Where required, equivalent disclosures are given in the group financial statements of Broadgate REIT Limited. The group financial statements of Broadgate REIT Limited are available to the public and can be obtained as set out in note 16.

Going concern

The balance sheet shows that the company has net current liabilities. This is due to amounts owed to other subsidiaries within the group. The directors consider that the company has adequate resources to continue trading for the foreseeable future, with no external borrowings and a working capital cycle enabling the company to meet all liabilities as they fall due.

As a consequence of this, the directors feel that the company can continue to trade for the foreseeable future and is well placed to manage its business risks successfully in the current economic climate. Accordingly, they believe the going concern basis is an appropriate one.

Adoption status of relevant new financial reporting standards and interpretations

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

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

Turnover

Rental income from investment property

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

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

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

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

Taxation

Current tax is based on taxable profit for the year and is calculated using tax rates that have been enacted or substantively enacted. Taxable profit differs from net profit as reported in the Profit and Loss Account because it excludes items of income or expense that are not taxable (or tax deductible).

Broadgate (PHC 15b) Limited**Notes to the Financial Statements for the Year Ended 31 March 2021
(continued)****2 - Accounting policies (continued)****Investment properties**

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

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

Debtors

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

Creditors

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

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

3 Significant accounting judgements and key sources of estimation uncertainty

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

4 Turnover

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

	2021 £	2020 £
Rental income from investment property	4,289,182	6,665,322
Service charge income	2,048,077	2,754,360
	<u>6,337,259</u>	<u>9,419,682</u>

5 Auditors' remuneration

A notional charge of £5,250 (2020: £3,543) is deemed payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements for the year ended 31 March 2021. Actual amounts payable to PricewaterhouseCoopers LLP are paid by Bluebutton Properties UK Limited.

No non-audit fees (2020: £nil) were paid to PricewaterhouseCoopers LLP.

Broadgate (PHC 15b) Limited**Notes to the Financial Statements for the Year Ended 31 March 2021
(continued)****6 Staff costs**

No director (2020: nil) received any remuneration for services to the company in either year.

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

7 Taxation

	2021 £	2020 £
Current taxation		
UK corporation tax	-	-
Tax charge in the profit and loss account	-	-
	2021 £	2020 £
Tax reconciliation		
(Loss)/profit on ordinary activities before taxation	(6,655,207)	3,770,673
Tax on (loss)/profit on ordinary activities at UK corporation tax rate of 19% (2020: 19%)	(1,264,489)	716,428
Effects of:		
REIT exempt income and gains	(153,954)	(231,995)
Capital allowances	(8,386)	(9,867)
Decrease/(increase) in fair value of property & investments	1,425,659	(478,090)
Expenses not allowable	1,170	3,524
Group relief	(1,555)	-
Consideration paid for group relief	1,555	-
Total tax charge	-	-

The above tax charge is group relief payable to Bluebutton Properties UK Limited and is disclosed within amounts due to related parties (note 10).

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

Broadgate (PHC 15b) Limited**Notes to the Financial Statements for the Year Ended 31 March 2021
(continued)****8 Investment properties**

£

Fair value

1 April 2020	79,200,000
Additions	6,096,435
Lease incentive movements	32,034
Revaluation	<u>(7,503,469)</u>
31 March 2021	<u>77,825,000</u>

Fair value

1 April 2019	76,000,000
Additions	762,016
Lease incentive movements	(78,283)
Revaluation	<u>2,516,267</u>
31 March 2020	<u>79,200,000</u>

Analysis of cost and valuation**31 March 2021**

Cost	87,379,418
Valuation	<u>(9,554,418)</u>
Net book value	<u>77,825,000</u>

31 March 2020

Cost	81,250,948
Valuation	<u>(2,050,948)</u>
Net book value	<u>79,200,000</u>

At 31 March 2021 the book value of freehold investment properties owned by the company was £77,825,000 (2020: £79,200,000).

Investment properties are valued by adopting the 'investment method' of valuation. This approach involves applying capitalisation yields to current and estimated future rental streams net of income voids arising from vacancies or rent-free periods and associated running costs. These capitalisation yields and rental values are based on comparable property and leasing transactions in the market, using the valuers' professional judgement and market observation. Other factors taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions.

Broadgate (PHC 15b) Limited**Notes to the Financial Statements for the Year Ended 31 March 2021
(continued)****8 Investment properties (continued)**

Properties were valued to fair value at 31 March 2021 by Cushman & Wakefield, independent valuers not connected with the company, in accordance with the RICS Valuation - Professional Standards 2014, Ninth Edition, published by The Royal Institution of Chartered Surveyors.

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

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

	31 March 2021 £	31 March 2020 £
Leases less than one year	546,288	1,696,233
Leases between one and five years	1,117,963	2,447,155
	<u>1,664,251</u>	<u>4,143,388</u>

9 Debtors

	31 March 2021 £	31 March 2020 £
Trade debtors	54,228	1,078,114
Provision for impairment of tenant debtors	(52,351)	(26,415)
Amounts due from related parties	7,206,223	7,206,224
Prepayments	223,008	232,016
Other debtors	160,204	1
VAT	225,488	423
	<u>7,816,800</u>	<u>8,490,363</u>

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

Broadgate (PHC 15b) Limited**Notes to the Financial Statements for the Year Ended 31 March 2021
(continued)****10 Creditors due within one year**

	31 March 2021 £	31 March 2020 £
Trade creditors	133,634	1,466,743
Accrued expenses	2,172,523	1,265,226
Amounts due to related parties	71,849,890	66,065,437
Other creditors	15,558	767,555
	<u>74,171,605</u>	<u>69,564,961</u>

Amounts due to related parties relate to amounts owed to group companies and are repayable on demand.

11 Share capital**Allotted, called up and fully paid shares**

	No.	31 March 2021 £	No.	31 March 2020 £
Ordinary shares of £1 each	13,836,712	13,836,712	13,836,712	13,836,712
	<u>13,836,712</u>	<u>13,836,712</u>	<u>13,836,712</u>	<u>13,836,712</u>

12 Capital commitments

The total amount contracted for but not provided in the financial statements was £10,093 (2020: £5,868).

13 Contingent liabilities

The company is registered to the same VAT group as Estate Management (Brick) Limited and fellow VAT registered subsidiaries of Broadgate Property Holdings Limited and is jointly and severally liable for monies due under that VAT group registration.

14 Related party transactions

The company has taken advantage of the exemption granted to wholly owned subsidiaries not to disclose transactions with group companies under the provisions of FRS 101.

During the year, Broadgate (PHC 15b) Limited incurred £2,837,067 (2020: £3,119,496) of fees with Storey Spaces Limited under management agreements. At the end of the reporting period, £151,406 is included within current assets (2020: £804,003 was included within current liabilities).

Broadgate (PHC 15b) Limited

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

15 Subsequent events

Properties valued at £77,825,000 for the year ended 31 March 2021 have subsequently been revalued to £84,000,000 as at 30 September 2021, representing a percentage increase of 7.93% in valuation since the year end.

16 Parent and ultimate parent undertaking

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is Broadgate REIT Limited.

The parent of the smallest group in which these financial statements are consolidated is Bluebutton Properties UK Limited.

The immediate parent company is Bluebutton Properties UK Limited.

The ultimate parent company is Broadgate REIT Limited. Broadgate REIT Limited operates as a joint venture between Euro Bluebell LLP, an affiliate of GIC, Singapore's sovereign wealth fund, and BL Bluebutton 2014 Limited, a wholly owned subsidiary of The British Land Company PLC. Group accounts for this company are available on request from British Land, York House, 45 Seymour Street, London, W1H 7LX.