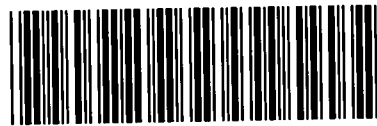


Registration number: 03707219

Broadgate (PHC 15c) Limited

Annual Report and Financial Statements
for the Year Ended 31 March 2018

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Broadgate (PHC 15c) Limited

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Broadgate (PHC 15c) Limited

Strategic Report for the Year Ended 31 March 2018

The directors present their Strategic Report for the year ended 31 March 2018.

Business review and principal activities

Broadgate (PHC 15c) Limited ("the company") is a wholly owned subsidiary of Broadgate Property Holdings 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 £5,734,641 has increased £2,025,668 compared with turnover of £3,708,973 in the prior year. Profit on ordinary activities before taxation is £2,750,001 compared to a profit on ordinary activities before taxation of £3,091,694 in the prior year.

Dividends of £nil (2017: £nil) were paid in the year.

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

The value of investment properties held as at 31 March 2018 has remained consistent with 2017 due to offsetting additions and revaluation losses, as shown in note 10 to the company's Balance Sheet.

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.

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 directors consider the primary measure of performance of the group to be turnover and net asset value.

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 subordinated loans from Broadgate (Funding) 2005 Limited and Broadgate Property Holdings Limited. The average interest rate charged on the Broadgate (Funding) 2005 subordinated loans was 5.01% per annum (2017: 5.03%). There is no interest charged on the loan from Broadgate Property Holdings Limited. The company has no third party debt.

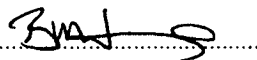
Broadgate (PHC 15c) Limited

Strategic Report for the Year Ended 31 March 2018 (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 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.

Approved by the Board on 26 September 2018 and signed on its behalf by:



BRUCE JAMES

British Land Company Secretarial Limited
Company secretary

Broadgate (PHC 15c) Limited

Directors' Report for the Year Ended 31 March 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

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:

M Cosgrave (resigned 17 January 2018)

D Devani (resigned 17 January 2018)

T A Roberts

H Shah

D I Lockyer

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.

One or more of the current directors have been indemnified. The indemnity arrangements are qualifying indemnity provisions under the Companies Act 2006 and are currently in force at the date of this Annual Report.

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 directors consider the company to be a going concern and the accounts are prepared on this basis. Details of this are shown in note 2 of the financial statements.

Subsequent Events

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

Broadgate (PHC 15c) Limited

Directors' Report for the Year Ended 31 March 2018 (continued)

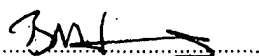
Disclosure of information to the auditors

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.

Approved by the Board on 26 September 2018 and signed on its behalf by:



BRUCE JAMES

British Land Company Secretarial Limited
Company secretary

Broadgate (PHC 15c) Limited

Independent Auditors' Report to the Members of Broadgate (PHC 15c) Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its profit 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 2018; 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Broadgate (PHC 15c) Limited

Independent Auditors' Report to the Members of Broadgate (PHC 15c) Limited (continued)

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 2018 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 directors for the financial statements

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 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.

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 received 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.

Broadgate (PHC 15c) Limited

**Independent Auditors' Report to the Members of Broadgate (PHC 15c) Limited
(continued)**

We have no exceptions to report arising from this responsibility.

Saira Choudhry

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

Date: *26 September 2018*

Broadgate (PHC 15c) Limited

Profit and Loss Account for the Year Ended 31 March 2018

	Note	2018 £	2017 £
Turnover	4	5,734,641	3,708,973
Cost of sales		<u>(287,931)</u>	<u>(13,450)</u>
Gross profit		5,446,710	3,695,523
Administrative expenses		<u>(2,000)</u>	<u>(2,000)</u>
Operating profit		5,444,710	3,693,523
Revaluation of investment properties	10	<u>(1,398,744)</u>	<u>739,475</u>
Profit on ordinary activities before interest and taxation		4,045,966	4,432,998
Interest receivable and similar income	5	507	654
Interest payable and similar expenses	6	<u>(1,296,472)</u>	<u>(1,341,958)</u>
Profit on ordinary activities before taxation		2,750,001	3,091,694
Tax on profit on ordinary activities	9	<u>(96)</u>	<u>(131)</u>
Profit for the year		<u>2,749,905</u>	<u>3,091,563</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 20 form an integral part of these financial statements.

Broadgate (PHC 15c) Limited

Statement of Comprehensive Income for the Year Ended 31 March 2018

	2018 £	2017 £
Profit for the year	<u>2,749,905</u>	<u>3,091,563</u>
Total comprehensive income for the year	<u>2,749,905</u>	<u>3,091,563</u>

The notes on pages 12 to 20 form an integral part of these financial statements.

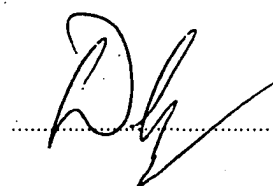
Broadgate (PHC 15c) Limited

(Registration number: 03707219)

Balance Sheet as at 31 March 2018

	Note	31 March 2018 £	31 March 2017 £
Fixed assets			
Investment properties	10	<u>63,500,000</u>	<u>63,500,000</u>
		<u>63,500,000</u>	<u>63,500,000</u>
Current assets			
Debtors	11	<u>8,755,126</u>	<u>7,559,102</u>
		<u>8,755,126</u>	<u>7,559,102</u>
Creditors due within one year	12	<u>(2,698,060)</u>	<u>(3,395,781)</u>
Net current assets		<u>6,057,066</u>	<u>4,163,321</u>
Total assets less current liabilities		<u>69,557,066</u>	<u>67,663,321</u>
Creditors due after more than one year	13	<u>(38,093,942)</u>	<u>(38,950,102)</u>
Net assets		<u>31,463,124</u>	<u>28,713,219</u>
Capital and reserves			
Share capital	14	<u>4,097,472</u>	<u>4,097,472</u>
Profit and loss account		<u>27,365,652</u>	<u>24,615,747</u>
Shareholders' funds		<u>31,463,124</u>	<u>28,713,219</u>

Approved by the Board on 26/09/18 and signed on its behalf by:



Director

DAVID LOCKYER

The notes on pages 12 to 20 form an integral part of these financial statements.

Broadgate (PHC 15c) Limited

Statement of Changes in Equity for the Year Ended 31 March 2018

	Share capital £	Profit and loss account £	Total £
Balance at 1 April 2016	4,097,472	21,524,184	25,621,656
Profit for the year	-	3,091,563	3,091,563
Total comprehensive income for the year	-	3,091,563	3,091,563
Balance at 31 March 2017	4,097,472	24,615,747	28,713,219
Balance at 1 April 2017	4,097,472	24,615,747	28,713,219
Profit for the year	-	2,749,905	2,749,905
Total comprehensive income for the year	-	2,749,905	2,749,905
Balance at 31 March 2018	4,097,472	27,365,652	31,463,124

The notes on pages 12 to 20 form an integral part of these financial statements.

Broadgate (PHC 15c) Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

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").

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 investments properties. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

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

Broadgate (PHC 15c) Limited

**Notes to the Financial Statements for the Year Ended 31 March 2018
(continued)**

2 Accounting policies (continued)

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 Broadgate REIT Limited. The group accounts of Broadgate REIT Limited are available to the public and can be obtained as set out in note 19.

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.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 April 2017 have had a material effect on the financial statements.

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.

Taxation

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

Deferred tax is provided on items that may become taxable at a later date, on the difference between the balance sheet value and tax base value, on an undiscounted basis.

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.

Broadgate (PHC 15c) Limited

**Notes to the Financial Statements for the Year Ended 31 March 2018
(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.

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:

	2018 £	2017 £
Rental income from investment property	5,734,641	3,708,973
	<u>5,734,641</u>	<u>3,708,973</u>

5 Interest receivable and similar income

	2018 £	2017 £
Interest received on cash held by another company within the group	507	654
	<u>507</u>	<u>654</u>

6 Interest payable and similar expenses

	2018 £	2017 £
Interest payable on amounts due to group companies	1,294,986	1,337,245
Amortisation of issue costs	1,486	4,713
	<u>1,296,472</u>	<u>1,341,958</u>

7 Auditors' remuneration

A notional charge of £3,910 (2017: £3,800) is deemed payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements for the year ended 31 March 2018. Actual amounts payable to PricewaterhouseCoopers LLP are paid by Bluebutton Properties UK Limited.

No non-audit fees (2017: £nil) were paid to PricewaterhouseCoopers LLP.

Broadgate (PHC 15c) Limited

**Notes to the Financial Statements for the Year Ended 31 March 2018
(continued)**

8 Staff costs

No director received any remuneration for services to the company in either year. The remuneration of the directors was borne by another company, for which no apportionment or recharges were made. The value of this service was negligible.

Average number of employees, excluding directors, of the company during the year was nil (2017: nil).

9 Tax on profit on ordinary activities

	2018 £	2017 £
Current taxation		
UK corporation tax	96	131
Tax charge in the profit and loss account	96	131
	2018 £	2017 £
Tax reconciliation		
Profit on ordinary activities	2,750,001	3,091,694
Tax on profit on ordinary activities at UK corporation tax rate of 19% (2017 : 20%)	522,500	618,339
Effects of:		
REIT exempt income and gains	(782,013)	(462,873)
Capital allowances	(6,152)	(7,440)
Decrease/(increase) in fair value of property and investments	265,761	(147,895)
Group Relief	(96)	(131)
Consideration paid for group relief	96	131
Total tax charge	96	131

The above tax charge is group relief payable to Broadgate Property Holdings Limited and is disclosed within amounts due to group companies (note 12).

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantially enacted on 6 September 2016. This rate reduction has been reflected in the calculation of deferred tax on the Balance Sheet date, where relevant.

Broadgate (PHC 15c) Limited

**Notes to the Financial Statements for the Year Ended 31 March 2018
(continued)**

10 Investment properties

	£
Fair value	
1 April 2017	63,500,000
Additions	1,398,744
Revaluation	<u>(1,398,744)</u>
31 March 2018	<u>63,500,000</u>
Fair value	
1 April 2016	60,250,000
Additions	2,510,525
Revaluation	<u>739,475</u>
31 March 2017	<u>63,500,000</u>
Analysis of cost and valuation	
31 March 2018	
Cost	56,975,450
Valuation	<u>6,524,550</u>
Net book value	<u>63,500,000</u>
31 March 2017	
Cost	55,576,706
Valuation	<u>7,923,294</u>
Net book value	<u>63,500,000</u>

At 31 March 2018 the book value of long leasehold investment properties owned by the company was £63,500,000 (2017: £63,500,000).

Investment properties are valued by adopting the 'residual method' of valuation as they are under a development program. This 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. From this, a deduction is made for all costs necessary to complete the development program, including a notional finance cost, together with a further allowance for remaining risk.

Properties were valued to fair value at 31 March 2018 by Knight Frank LLP, independent valuers not connected with the company, in accordance with the RICS Valuation - Professional Standards 2014, Ninth Edition, published by The Royal Institution of Chartered Surveyors.

Broadgate (PHC 15c) Limited

**Notes to the Financial Statements for the Year Ended 31 March 2018
(continued)**

10 Investment properties (continued)

Security has been granted over the above properties along with other properties held by fellow subsidiaries of the Broadgate Property Holding Group to secure the £1,565,309,187 (2017: £1,616,625,000) secured notes due from 2022 to 2036, issued by Broadgate Financing PLC.

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:

	2018 £	2017 £
Leases less than one year	200,000	3,508,973
Leases between one and five years	600,000	1,725,881
Leases greater than five years	-	-
	<u>800,000</u>	<u>5,234,854</u>

11 Debtors

	31 March 2018 £	31 March 2017 £
Trade debtors	-	244,766
Amounts due from related parties	8,734,250	7,242,442
Prepayments	-	71,894
VAT	<u>20,876</u>	<u>-</u>
	<u>8,755,126</u>	<u>7,559,102</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.

12 Creditors due within one year

	31 March 2018 £	31 March 2017 £
Accrued expenses	1,145,674	1,303,192
Amounts due to related parties	1,472,419	2,056,585
Other creditors	<u>79,967</u>	<u>36,004</u>
	<u>2,698,060</u>	<u>3,395,781</u>

Amounts due to related parties relate to amounts owed to group companies, excluding Broadgate (Funding) 2005 Limited, which are repayable on demand. Interest is charged only on the portion of debt due to Broadgate (Funding) 2005 Limited at an average interest rate of 5.01% per annum (2017: 5.03%) (see note 13).

Broadgate (PHC 15c) Limited

**Notes to the Financial Statements for the Year Ended 31 March 2018
(continued)**

13 Creditors due after more than one year

	2018 £	2017 £
Long term loans - amounts owed to group companies	<u>38,093,942</u>	<u>38,950,102</u>
Borrowings analysis		
Creditors due within one year		
- subordinated loans from Broadgate (Funding) 2005 Limited	<u>841,739</u>	<u>829,829</u>
Creditors due after one year		
- subordinated loans from Broadgate Property Holdings Limited	13,606,862	13,619,422
- subordinated loans from Broadgate (Funding) 2005 Limited	<u>24,487,080</u>	<u>25,330,680</u>
Total loans due after one year	<u>38,093,942</u>	<u>38,950,102</u>
Total borrowings	<u>38,935,681</u>	<u>39,779,931</u>

The subordinated loan from Broadgate Property Holdings Limited, which is repayable upon demand, is deeply subordinated and ranks behind subordinated loans from Broadgate (Funding) 2005 Limited. The subordinated loans from Broadgate (Funding) 2005 Limited are being repaid from April 2005 to July 2036, with the average interest rate of these subordinated loans being 5.01% per annum (2017: 5.03%).

	2018 £	2017 £
Borrowings repayment analysis		
Repayments due:		
Within one year	841,739	829,829
1-2 years	854,458	841,801
2-5 years	<u>1,692,148</u>	<u>1,966,860</u>
	3,388,345	3,638,490
After 5 years	<u>35,547,336</u>	<u>36,141,441</u>
Total borrowings	38,935,681	39,779,931
Amounts included in creditors due within one year	<u>(841,739)</u>	<u>(829,829)</u>
Amounts included in creditors due after one year	<u>38,093,942</u>	<u>38,950,102</u>

Broadgate (PHC 15c) Limited

**Notes to the Financial Statements for the Year Ended 31 March 2018
(continued)**

14 Share capital

Allotted, called up and fully paid shares

	No.	31 March 2018 £	No.	31 March 2017 £
Ordinary shares of £1 each	4,097,472	4,097,472	4,097,472	4,097,472

15 Capital commitments

The total amount contracted for but not provided in the financial statements was £1,135,000 (2017: £nil).

16 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.

17 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.

Broadgate Estates Limited acts as an agent to the company and collects cash on the company's behalf. Broadgate Estates Limited is a wholly owned subsidiary of The British Land Company PLC. The British Land Company PLC is a joint venture partner in Broadgate REIT Limited, the ultimate parent of the company.

18 Subsequent events

Subsequent to year end the group served notice to repay £223 million of external debt in addition to its debt repayment obligations on 5th October 2018. This will result in the company repaying the subordinated loans owing to Broadgate (Funding) 2005 Limited as shown in note 13, and release the security granted over the company's investment properties from the secured notes issued by Broadgate Financing PLC, as mentioned in note 10.

In addition, on 5th October 2018 the group will be closing out interest rate derivatives and also incurring break cost penalties for early repayment of external debt. This will recognise approximately £5 million of additional interest payable in the Profit and Loss account in the year ended 31 March 2019.

On the same day, the company's ownership will change from Broadgate Properties Holdings Limited to Bluebutton Properties UK Limited, another company within the group.

Broadgate (PHC 15c) Limited

**Notes to the Financial Statements for the Year Ended 31 March 2018
(continued)**

19 Parent and ultimate parent undertaking

The immediate parent company is Broadgate Property Holdings 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.

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