

Registration number: 06548082

Broadgate (PHC 8) 2008 Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2022

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Broadgate (PHC 8) 2008 Limited

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Broadgate (PHC 8) 2008 Limited

Strategic Report for the Year Ended 31 March 2022

The directors present their Strategic Report for the year ended 31 March 2022.

Business review and principal activities

Broadgate (PHC 8) 2008 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 9, the company's turnover of £26,279,490 has increased by £803,887 compared with turnover of £25,475,603 in the prior year.

Loss on ordinary activities before taxation is £3,387,660 compared to a profit before taxation of £18,114,832 in the prior year. The decrease in profit is due to a loss on revaluation of investment property in the current year, compared to a revaluation gain recorded in the prior year.

Dividends of £nil (2021: £nil) were paid in the year.

The revaluation of investment properties in the year was a deficit of £9,534,461 (2021: surplus of £6,530,526).

The Balance Sheet on page 11 shows that the company's financial position at the year end has, in net assets terms, decreased compared with the prior year.

The company holds the investment property 201 Bishopsgate. The value of investment properties held as at 31 March 2022 has decreased by 2.3% from 31 March 2021 as shown in note 10 to the company's Balance Sheet. Details of how investment properties are valued can be found in note 10 to the company's balance sheet. The movement is determined by the prevailing market conditions at the balance sheet date.

The value of investments held as at 31 March 2022 has remained consistent with 2021 during the year as shown in note 11 to the company's Balance Sheet.

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:

Broadgate (PHC 8) 2008 Limited**Strategic Report for the Year Ended 31 March 2022 (continued)**

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

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

The 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.

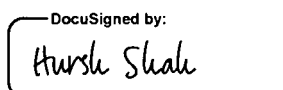
The financial risks for the company are managed in accordance with the group financial risk management policy, as disclosed in the consolidated group financial statements.

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 Limited subordinated loans was 5% per annum (2021: 5%). There is no interest charged on the loan from Broadgate Property Holdings Limited. The company has no third party debt.

The general risk environment in which the Company operates has remained heightened during the period due to the continued impact of Covid-19, and the emergence of the UK economy from the pandemic, including related challenges in parts of the UK retail market and macroeconomic headwinds through rising inflation. Despite this the general risk environment is considered to have improved during the year with a stabilisation in rents, improved rental collection and footfall and sales returning close to, and in some cases above, pre-pandemic levels. The improvement in the general risk environment will directly impact the degree of certainty around the valuation of investment properties at year end.

The emergence of the conflict in Ukraine in February 2022 has led to increased global economic uncertainty with sanctions imposed upon Russia and heightened political and diplomatic tensions. The Directors do not consider the conflict at this stage to have had a material impact on the Company's financial statements owing to the nature of the Company's UK focused operations and limited exposure to Ukrainian and Russian businesses. Additionally, our valuers consider there to be no current evident impact of the conflict on the UK property sector. The Directors and our valuers are closely monitoring the conflict for any future developments that may change the risk environment in which the Company operates.

Approved by the Board on 22.07.2022 and signed on its behalf by:

DocuSigned by:

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 Hursh Shah

Director

Broadgate (PHC 8) 2008 Limited

Directors' Report for the Year Ended 31 March 2022

The directors present their report and the audited financial statements for the year ended 31 March 2022.

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 W Richards

D I Lockyer

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the 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.

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.

In preparing the financial statements, the impact of climate change has been considered. Whilst noting the Company's commitment to sustainability, there has not been a material impact on the financial reporting judgements and estimates arising from our considerations, which include physical climate and transitional risk assessments conducted by the Company. As part of the valuation process, the Company has discussed the impact of climate change with the external valuers who value the investment and development properties of the Company.

Broadgate (PHC 8) 2008 Limited

Directors' Report for the Year Ended 31 March 2022 (continued)

Going Concern

The Directors consider that the Company has adequate resources to continue trading for the foreseeable future, with no external borrowings and a working capital cycle enabling the company to meet all liabilities as they fall due.

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

Subsequent Events

Details of significant events since the Balance Sheet date, if any, are contained in note 19.

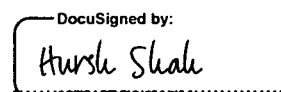
Disclosure of information to the auditors

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 22.07.2022 and signed on its behalf by:

DocuSigned by:

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Hursh Shah

Director

Independent auditors' report to the members of Broadgate (PHC 8) 2008 Limited

Report on the audit of the financial statements

Opinion

In our opinion, Broadgate (PHC 8) 2008 Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 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 2022; the Profit and Loss Account, the Statement of Comprehensive Income, 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 2022 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 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 and judgements made by management in their significant areas of estimation; 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.

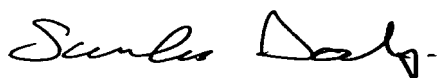
Other required reporting

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
22 July 2022

Broadgate (PHC 8) 2008 Limited**Profit and Loss Account for the Year Ended 31 March 2022**

	Note	2022 £	2021 £
Turnover	4	26,279,490	25,475,603
Cost of sales		<u>(5,510,254)</u>	<u>(6,671,946)</u>
Gross profit		20,769,236	18,803,657
Administrative expenses		<u>(2,000)</u>	<u>(2,000)</u>
Operating profit		20,767,236	18,801,657
Revaluation of investment properties	10	<u>(9,534,461)</u>	<u>6,530,526</u>
Profit before interest and taxation		11,232,775	25,332,183
Interest receivable and similar income	5	249	6,998
Interest payable and similar expenses	6	<u>(14,620,684)</u>	<u>(7,224,349)</u>
(Loss)/profit before taxation		(3,387,660)	18,114,832
Taxation	9	<u>(47)</u>	<u>(1,330)</u>
(Loss)/profit for the financial year		<u>(3,387,707)</u>	<u>18,113,502</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 13 to 25 form an integral part of these financial statements.

Broadgate (PHC 8) 2008 Limited**Statement of Comprehensive Income for the Year Ended 31 March 2022**

	2022 £	2021 £
(Loss)/profit for the financial year	<u>(3,387,707)</u>	<u>18,113,502</u>
Total comprehensive (expense)/income for the year	<u><u>(3,387,707)</u></u>	<u><u>18,113,502</u></u>

The notes on pages 13 to 25 form an integral part of these financial statements.


Broadgate (PHC 8) 2008 Limited

(Registration number: 06548082)

Balance Sheet as at 31 March 2022

	Note	31 March 2022 £	31 March 2021 £
Fixed assets			
Investment properties	10	472,500,000	483,700,000
Investments	11	3,703,195	3,703,195
		<u>476,203,195</u>	<u>487,403,195</u>
Current assets			
Debtors	12	40,894,138	34,335,303
		40,894,138	34,335,303
Creditors due within one year	13	(23,645,072)	(30,990,517)
Net current assets		17,249,066	3,344,786
Creditors due after more than one year	14	(219,955,518)	(213,863,531)
Net assets		<u>273,496,743</u>	<u>276,884,450</u>
Capital and reserves			
Share capital	15	16,000,000	16,000,000
Profit and loss account		257,496,743	260,884,450
Total shareholders' funds		<u>273,496,743</u>	<u>276,884,450</u>

Approved by the Board on 22.07.2022 and signed on its behalf by:

DocuSigned by:

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 Hursh Shah

Director

The notes on pages 13 to 25 form an integral part of these financial statements.

Broadgate (PHC 8) 2008 Limited**Statement of Changes in Equity for the Year Ended 31 March 2022**

	Share capital £	Profit and loss account £	Total £
Balance at 1 April 2020	16,000,000	242,770,948	258,770,948
Profit for the financial year	-	18,113,502	18,113,502
Total comprehensive income for the year	-	18,113,502	18,113,502
Balance at 31 March 2021	16,000,000	260,884,450	276,884,450
 Balance at 1 April 2021	 16,000,000	 260,884,450	 276,884,450
Loss for the financial year	-	(3,387,707)	(3,387,707)
Total comprehensive expense for the year	-	(3,387,707)	(3,387,707)
Balance at 31 March 2022	16,000,000	257,496,743	273,496,743

The notes on pages 13 to 25 form an integral part of these financial statements.

Broadgate (PHC 8) 2008 Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

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 UK GAAP 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 8) 2008 Limited**Notes to the Financial Statements for the Year Ended 31 March 2022
(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 20.

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, none of which have had a material impact on the Company.

These amendments include IFRS 16 - Covid-19 Related Rent Concessions, and amendments to IFRS 9, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2.

Going Concern

The Directors consider that the Company has adequate resources to continue trading for the foreseeable future, with no external borrowings and a working capital cycle enabling the company to meet all liabilities as they fall due.

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

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. Lease incentives, such as rent free periods and cash contributions to tenant fit-out, are recognised on a straight line basis over the lease term being an integral part of the net consideration for the use of the investment property.

Rental income from fixed and minimum guaranteed rent reviews is recognised on a straight-line basis over 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 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 premiums 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 dilapidation 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.

Broadgate (PHC 8) 2008 Limited**Notes to the Financial Statements for the Year Ended 31 March 2022
(continued)****2 Accounting policies (continued)****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).

Investment properties

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

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

Investments

Fixed asset investments are stated at the lower of cost and the underlying net asset value of the investments. Where the carrying value of investments increase/decrease under this definition, this will result in an impairment write back / write off to the investment carrying 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.

Interest payable and receivable

Interest payable and receivable is recognised as incurred under the accruals concept. Interest payable includes financing charges which are spread over the period to redemption, using the effective interest method. Commitment fees on non-utilised facilities are also included within interest payable.

Premiums payable and receivable on early redemption are recognised as finance charges and income when incurred.

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.

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.

Broadgate (PHC 8) 2008 Limited

**Notes to the Financial Statements for the Year Ended 31 March 2022
(continued)**

3 Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, the Directors are required to make critical accounting judgements and assess key sources of estimation uncertainty that affect the financial statements.

The general risk environment in which the Company operates has remained heightened during the period due to the continued impact of Covid-19, and the emergence of the UK economy from the pandemic, including related challenges in parts of the UK retail market and macroeconomic headwinds through rising inflation. Despite this the general risk environment is considered to have improved during the year with a stabilisation in rents, improved rental collection and footfall and sales returning close to, and in some cases above, pre-pandemic levels. The improvement in the general risk environment will directly impact the degree of certainty around the valuation of investment properties at year end.

The emergence of the conflict in Ukraine in February 2022 has led to increased global economic uncertainty with sanctions imposed upon Russia and heightened political and diplomatic tensions. The Directors do not consider the conflict at this stage to have had a material impact on the Company's financial statements owing to the nature of the Company's UK focused operations and limited exposure to Ukrainian and Russian businesses. Additionally, our valuers consider there to be no current evident impact of the conflict on the UK property sector. The Directors and our valuers are closely monitoring the conflict for any future developments that may change the risk environment in which the Company operates.

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.

Critical accounting adjustments

The directors do not consider there to be any other critical accounting judgements in the preparation of the Company financial statements.

Broadgate (PHC 8) 2008 Limited**Notes to the Financial Statements for the Year Ended 31 March 2022
(continued)****4 Turnover**

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

	2022 £	2021 £
Rental income from investment property	20,791,751	19,743,888
Service charge income	5,487,739	5,731,715
	<u>26,279,490</u>	<u>25,475,603</u>

5 Interest receivable and similar income

	2022 £	2021 £
Interest received on cash held by another company within the group	249	6,998
	<u>249</u>	<u>6,998</u>

6 Interest payable and similar expenses

	2022 £	2021 £
Interest payable on amounts owed to group companies	7,513,156	7,180,530
Increase in subordinated loans due to release of related parties from securitisation	7,107,528	-
Amortisation of issue costs	-	43,819
	<u>14,620,684</u>	<u>7,224,349</u>

7 Auditors' remuneration

A notional charge of £6,200 (2021: £4,998) is deemed payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements for the year ended 31 March 2022. Actual amounts payable to PricewaterhouseCoopers LLP are paid by Bluebutton Properties UK Limited.

No non-audit fees (2021: £nil) were paid to PricewaterhouseCoopers LLP.

8 Staff costs

No director (2021: nil) received any remuneration for services to the company in either year. The remuneration of the directors was borne by another company, for which no apportionment or recharges were made.

Average number of employees, excluding directors, of the company during the year was nil (2021: nil).

Broadgate (PHC 8) 2008 Limited**Notes to the Financial Statements for the Year Ended 31 March 2022
(continued)****9 Taxation**

	2022 £	2021 £
Current taxation		
UK corporation tax	<u>47</u>	<u>1,330</u>
Tax charge in the profit and loss account	<u><u>47</u></u>	<u><u>1,330</u></u>
	2022 £	2021 £
Tax reconciliation		
(Loss)/profit before taxation	<u>(3,387,660)</u>	<u>18,114,832</u>
Tax on (loss)/profit at UK corporation tax rate of 19% (2021: 19%)	<u>(643,655)</u>	<u>3,441,818</u>
Effects of:		
REIT exempt income and gains	(1,317,975)	(2,349,028)
Capital allowances	(5,960)	(6,669)
Decrease/(increase) in fair value of property & investments	1,811,548	(1,240,800)
Expenses not allowable	156,089	156,009
Group relief	(47)	(1,330)
Consideration paid for group relief	<u>47</u>	<u>1,330</u>
Total tax charge	<u><u>47</u></u>	<u><u>1,330</u></u>

The above tax charge is group relief payable to Broadgate Property Holdings Limited and is disclosed within amounts due to group companies (note 13).

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

Broadgate (PHC 8) 2008 Limited**Notes to the Financial Statements for the Year Ended 31 March 2022
(continued)****10 Investment properties**

£

Fair value

1 April 2021	483,700,000
Additions	794,650
Lease incentive movements	(2,460,189)
Revaluation	(9,534,461)
31 March 2022	472,500,000

Fair value

1 April 2020	478,300,000
Additions	45,447
Lease incentive movements	(1,175,973)
Revaluation	6,530,526
31 March 2021	483,700,000

Analysis of cost and valuation**31 March 2022**

Cost	291,591,291
Valuation	180,908,709

Net book value

472,500,000

31 March 2021

Cost	293,256,830
Valuation	190,443,170

Net book value

483,700,000

At 31 March 2022 the book value of long leasehold investment properties owned by the company was £472,500,000 (2021: £483,700,000).

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 £1,101,683,240 (2021: £1,215,283,890) secured notes due from 2022 to 2036, issued by Broadgate Financing PLC.

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 8) 2008 Limited**Notes to the Financial Statements for the Year Ended 31 March 2022
(continued)****10 Investment properties (continued)**

Properties were valued to fair value at 31 March 2022 by Cushman & Wakefield, independent valuers not connected with the Company, in accordance with the RICS Valuation - Global Standards 2022, published by The Royal Institution of Chartered Surveyors.

In preparing their valuations during the pandemic lockdown periods in 2020/21, our valuers have considered the impact of concessions agreed with tenants at the relevant balance sheet date, which mainly related to rent deferrals and rent-free periods, on valuations, primarily of retail assets. With the lifting of lockdown restrictions during 2021/22, the number of concessions agreed with tenants has decreased and following the cessation of the general moratorium on commercial evictions and restrictions on commercial rent arrears recovery on 25 March 2022, the valuers have assumed that rental income will be received, unless there are specific concession agreements in place. The valuers have also given consideration to occupiers in higher risk sectors, and those assumed to be at risk of default, in determining the appropriate yields to apply.

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

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

The Group has shared recently conducted physical climate and transitional risk assessments with the valuers which they have reviewed and taken into consideration to the extent that current market participants would. Valuers observe, assess and monitor evidence from market activities, including market (investor) sentiment on issues such as longer-term obsolescence and, where known, future Environmental, Social and Governance related risks and issues which may include, for example, the market's approach to capital expenditure required to maintain the utility of the asset. In the absence of reliable benchmarking data and indices for estimating costs, specialist advice on cost management may be required which is usually agreed with the valuer in the terms of engagement and without which reasonable estimates/assumptions may be needed to properly reflect market expectations in arriving at the Opinion of Value.

The 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 2022 £	31 March 2021 £
Leases less than one year	22,379,683	22,058,907
Leases between one and five years	78,183,954	80,804,200
Leases greater than five years	27,263,307	43,962,455
	<u>127,826,944</u>	<u>146,825,562</u>

Broadgate (PHC 8) 2008 Limited**Notes to the Financial Statements for the Year Ended 31 March 2022
(continued)****11 Investments**

	Shares in subsidiaries £	Total £
Underlying net asset value of investment		
1 April 2021	<u>3,703,195</u>	<u>3,703,195</u>
31 March 2022	<u>3,703,195</u>	<u>3,703,195</u>
Underlying net asset value of investment		
1 April 2020	<u>3,703,195</u>	<u>3,703,195</u>
31 March 2021	<u>3,703,195</u>	<u>3,703,195</u>
Provision for underlying net asset change		
1 April 2021	<u>(122,658,867)</u>	<u>(122,658,867)</u>
31 March 2022	<u>(122,658,867)</u>	<u>(122,658,867)</u>
Provision for underlying net asset change		
1 April 2020	<u>(122,658,867)</u>	<u>(122,658,867)</u>
31 March 2021	<u>(122,658,867)</u>	<u>(122,658,867)</u>
At cost		
31 March 2022	<u>126,362,062</u>	<u>126,362,062</u>
31 March 2021	<u>126,362,062</u>	<u>126,362,062</u>

Details of the subsidiaries as at 31 March 2022 are as follows:

Subsidiary	Principal activity	Interest	Country
201 Bishopsgate Limited	Property investment	100%	United Kingdom

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

Broadgate (PHC 8) 2008 Limited**Notes to the Financial Statements for the Year Ended 31 March 2022
(continued)****12 Debtors**

	31 March 2022 £	31 March 2021 £
Trade debtors	227,322	510,786
Provision for impairment of tenant debtors	(269,459)	(644,155)
Amounts due from related parties	40,539,575	34,360,906
Accrued income	76,670	39,956
Prepayments	6,942	-
VAT	313,088	67,810
	<u>40,894,138</u>	<u>34,335,303</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.

Provision for impairment relates to tenant incentives recorded in investment properties.

13 Creditors due within one year

	31 March 2022 £	31 March 2021 £
Trade creditors	358,776	13,693
Accrued expenses	8,102,041	7,336,745
Amounts due to related parties	14,035,884	21,465,288
Social security and other taxes	1,148,324	1,377,553
Other creditors	-	797,238
Corporation tax liability	47	-
	<u>23,645,072</u>	<u>30,990,517</u>

Amounts due to related parties relate to amounts owed to group companies. Of this amount, £393,278 is payable to Broadgate (Funding) 2005 and £1,300,487 is payable to Broadgate Property Holdings Limited in relation to short term portion of subordinated loans. The remaining amount due to related parties relates to short term creditors repayable on demand. Interest is charged only on the portion of debt due to Broadgate (Funding) 2005 Limited at an average interest rate of 4.93% per annum (2021: 4.93%) (see note 14).

Broadgate (PHC 8) 2008 Limited**Notes to the Financial Statements for the Year Ended 31 March 2022
(continued)****14 Creditors due after more than one year**

	31 March 2022 £	31 March 2021 £
Long term loans - amounts owed to group companies.	<u>219,955,518</u>	<u>213,863,531</u>
Borrowings analysis		
Creditors due within one year		
- subordinated loans from Broadgate Property Holdings Limited	1,300,487	-
- subordinated loans from Broadgate (Funding) 2005 Limited	<u>393,278</u>	<u>1,248,057</u>
Total loans due in less than one year	<u>1,693,765</u>	<u>1,248,057</u>
Creditors due after one year		
- subordinated loans from Broadgate Property Holdings Limited	69,193,749	70,441,806
- subordinated loans from Broadgate (Funding) 2005 Limited	<u>150,761,769</u>	<u>143,421,725</u>
Total loans due after one year	<u>219,955,518</u>	<u>213,863,531</u>
Total borrowings	<u>221,649,283</u>	<u>215,111,588</u>

Broadgate (PHC 8) 2008 Limited**Notes to the Financial Statements for the Year Ended 31 March 2022
(continued)****14 Creditors due after more than one year (continued)**

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 4.93% per annum (2021: 4.93%).

	31 March 2022 £	31 March 2021 £
Borrowings repayment analysis		
Repayments due:		
Within one year	1,693,765	1,248,057
1-2 years	393,337	1,303,862
2-5 years	<u>17,706,141</u>	<u>13,397,542</u>
	19,793,243	15,949,461
After 5 years	<u>201,856,040</u>	199,162,127
Total borrowings	221,649,283	215,111,588
Amounts included in creditors due within one year	<u>(1,693,765)</u>	<u>(1,248,057)</u>
Amounts included in creditors due after one year	<u>219,955,518</u>	<u>213,863,531</u>

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

	No.	31 March 2022 £	No.	31 March 2021 £
Ordinary shares of £1 each	16,000,000	16,000,000	16,000,000	16,000,000

16 Capital commitments

The total amount contracted for but not provided in the financial statements was £nil (2021: £49,131).

17 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.

Broadgate (PHC 8) 2008 Limited

**Notes to the Financial Statements for the Year Ended 31 March 2022
(continued)**

18 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.

19 Subsequent events

There have been no significant events since the year end.

20 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. Group financial statements for Broadgate REIT Limited are available on request from British Land, York House, 45 Seymour Street, London, W1H 7LX.

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.