

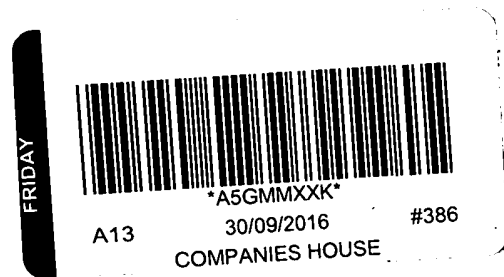
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# **Bluebutton (12702) Limited**

## **Annual Report and Accounts**

**Year ended 31 March 2016**

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**Company number: 07058464**

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**Bluebutton (12702) Limited**

**CONTENTS**

**for the year ended 31 March 2016**

**Page:**

|    |   |
|----|---|
| 1  | Strategic Report  |
| 3  | Directors' Report   |
| 5  | Independent Auditors' Report to the Members of Bluebutton (12702) Limited |
| 7  | Profit and Loss Account   |
| 8  | Statement of Comprehensive Income   |
| 9  | Balance Sheet   |
| 10 | Statement of Changes in Equity  |
| 11 | Notes to the Accounts   |

**Bluebutton (12702) Limited**  
**STRATEGIC REPORT**  
**for the year ended 31 March 2016**

The directors present their Strategic Report for the year ended 31 March 2016.

**Business review and principal activities**

Bluebutton (12702) Limited ("the company") is a wholly owned subsidiary of Bluebutton Properties UK Limited and operates as a constituent of the 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 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). Through this activity the company supports the strategy of its fellow joint venture companies.

As shown in the company's Profit and Loss Account on page 7, the company's turnover has remained consistent with the prior year and profit on ordinary activities before taxation has increased in comparison to the prior year as a result of value added taxation being released to the Profit and Loss Account.

Dividends of £nil (2015: £nil) were paid in the year.

The Balance Sheet on page 9 shows that the company's financial position at the year end is, in net liabilities terms, consistent with the prior year.

During the year, the company transitioned from UK GAAP to FRS 101 Reduced Disclosure Framework and has taken advantage of disclosure exemptions allowed under this framework. The company's parent undertaking, Broadgate REIT Limited, was notified and did not object to the use of EU-adopted IFRS disclosure exemptions. The impact of the adoption of this framework was as follows:

SIC-15 (Operating Leases; Incentives) requires that, when accounting for lease incentives, an asset is recognised and subsequently amortised over the term of the lease rather than over the period to the first rent review. The results for the year ended 31 March 2015 have been restated to incorporate the change in the amortisation period.

IAS 17 requires that all letting fees be capitalised as incurred and amortised over the term of the lease. The results for the year ended 31 March 2015 have been restated to incorporate the change in the amortisation period.

In accordance with IAS 40, revaluation movements are taken to the Profit and Loss Account as opposed to a revaluation reserve. See Note 2 to the financial statements for a quantification of these historical adjustments.

Another significant impact of the transition to FRS 101 is that revaluation movements in investment properties are now presented on the face of the Profit and Loss Account as opposed to through the Statement of Total Recognised Gains and Losses under UK GAAP.

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 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. These are discussed above.

**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;
- environmental and health and safety policies; and
- the period of uncertainty for the UK economy and real estate markets resulting from the decision on 23 June 2016 of the UK electorate to vote to leave the European Union.

**Bluebutton (12702) Limited**  
**STRATEGIC REPORT (CONTINUED)**  
**for the year ended 31 March 2016**

These opportunities also represent risks, the most significant being change to the value of the property portfolio. This risk has high visibility to the directors and is considered and managed on a continuous basis. The 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.

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

The financial risks of the company are disclosed in the consolidated group accounts.

This report was approved by the Board on ~~28 September~~ 16 and signed by the order of the board by:



N Ekpo  
Company Secretary

**Bluebutton (12702) Limited**

**DIRECTORS' REPORT**

**for the year ended 31 March 2016**

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

**Environment**

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 include safe disposal of manufacturing waste, recycling and reducing energy consumption.

**Directors**

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

S Barzycki  
M Cosgrave  
D Devani  
N Harris  
T Roberts  
H Shah

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, Directors' 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 Financial Reporting Standard 101 Reduced Disclosure Framework. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with 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.

**Subsequent events**

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

**Going concern**

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

**Bluebutton (12702) Limited**  
**DIRECTORS' REPORT (CONTINUED)**  
**for the year ended 31 March 2016**

**Disclosure of information to auditors**

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

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

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

**Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Board Meeting.

This report was approved by the Board on 28 September 16 and signed by the order of the board by:



N Ekpo  
Company Secretary

**Bluebutton (12702) Limited**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**BLUEBUTTON (12702) LIMITED**  
**for the year ended 31 March 2016**

**Report on the financial statements**

**Our opinion**

In our opinion, Bluebutton (12702) Limited's financial statements (the "financial statements"):

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

**What we have audited**

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

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

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

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

**Opinion on other matter prescribed by the Companies Act 2006**

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

**Other matters on which we are required to report by exception**

**Adequacy of accounting records and information and explanations received**

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

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

We have no exceptions to report arising from this responsibility.

**Directors' remuneration**

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

**Responsibilities for the financial statements and the audit**

**Our responsibilities and those of the directors**

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

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

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

**Bluebutton (12702) Limited**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**BLUEBUTTON (12702) LIMITED (CONTINUED)**  
**for the year ended 31 March 2016**

**What an audit of financial statements involves**

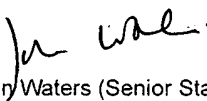
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

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

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

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

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

  
John Waters (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

29 September 2016



**Bluebutton (12702) Limited**  
**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 March 2016**

|  | Note     | 2016<br>£      | 2015<br>£  |
|--|----------|----------------|------------|
| <b>Turnover</b>                                      | <b>3</b> | 1,002          | 1,000      |
| Write back of Value Added Tax                        |          | 110,864        | -          |
| Write up of investments in subsidiaries              |          | 110,864        | -          |
| <b>Profit on ordinary activities before taxation</b> | <b>4</b> | 111,866        | 1,000      |
| Tax on profit on ordinary activities                 | <b>6</b> | -              | (92)       |
| <b>Profit for the financial year</b>                 |          | <u>111,866</u> | <u>908</u> |

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

**Bluebutton (12702) Limited**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 31 March 2016**

|  | <b>2016</b><br><b>£</b> | <b>2015</b><br><b>£</b> |
|--|-------------------------|-------------------------|
| <b>Profit for the financial year</b>           | 111,866                 | 908                     |
| <b>Total comprehensive income for the year</b> | <u>111,866</u>          | <u>908</u>              |

**Bluebutton (12702) Limited****BALANCE SHEET****as at 31 March 2016**

|                                      | Note | 2016<br>£          | 2015<br>£          |
|--------------------------------------|------|--------------------|--------------------|
| <b>Fixed assets</b>                  |      |                    |                    |
| Investment properties                | 7    | 950,000            | 950,000            |
|                                      |      | <u>950,000</u>     | <u>950,000</u>     |
| <b>Current assets</b>                |      |                    |                    |
| Debtors                              | 8    | 23,839             | 22,640             |
|                                      |      | <u>23,839</u>      | <u>22,640</u>      |
| <b>Creditors due within one year</b> | 9    | (1,027,376)        | (1,138,043)        |
| <b>Net current liabilities</b>       |      | <u>(1,003,537)</u> | <u>(1,115,403)</u> |
| <b>Net liabilities</b>               |      | <u>(53,537)</u>    | <u>(165,403)</u>   |
| <b>Capital and reserves</b>          |      |                    |                    |
| Called up share capital              | 10   | 2                  | 2                  |
| Profit and Loss Account              |      | (53,539)           | (165,405)          |
| <b>Total equity</b>                  |      | <u>(53,537)</u>    | <u>(165,403)</u>   |

The financial statements of Bluebutton (12702) Limited, company number 07058464, on pages 7 to 16, were approved by the Board of Directors and authorised for issued on 28 September 16 and signed on its behalf by:



H Shah  
Director

**Bluebutton (12702) Limited**  
**STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 31 March 2016**

|  | Called up<br>share capital<br>£ | Profit and loss<br>account<br>£ | Total<br>equity<br>£ |
|--|---------------------------------|---------------------------------|----------------------|
| <b>Balance as at 1 April 2014</b>              | 2                               | (166,313)                       | (166,311)            |
| Profit for the financial year                  | -                               | 908                             | 908                  |
| <b>Total comprehensive income for the year</b> | -                               | 908                             | 908                  |
| <b>Balance as at 31 March 2015</b>             | 2                               | (165,405)                       | (165,403)            |
| Profit for the financial year                  | -                               | 111,866                         | 111,866              |
| <b>Total comprehensive income for the year</b> | -                               | 111,866                         | 111,866              |
| <b>Balance as at 31 March 2016</b>             | 2                               | (53,539)                        | (53,537)             |

**Bluebutton (12702) Limited**  
**NOTES TO THE ACCOUNTS**  
**for the year ended 31 March 2016**

**1 Accounting policies**

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

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

**Basis of preparation**

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

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

In these financial statements, the company has adopted FRS 101 for the first time.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 March 2016, the company has changed its accounting framework from UK GAAP to FRS 101 as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. The prior period financial statements were re-stated for material adjustments on adoption of FRS 101 in the current year as set out in note 2.

The financial statements have been prepared under the historical cost convention as modified to include revaluation of 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. Details of the parent in whose consolidated financial statements the company is included in are shown in note 14 to the financial statements.

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

- (a) The requirements of IAS 1 to provide a Balance Sheet at the beginning of the year in the event of a prior year adjustment;
- (b) The requirements of IAS 1 to provide a Statement of Cash flows for the year;
- (c) The requirements of IAS 1 to provide a statement of compliance with IFRS;
- (d) The requirements of IAS 1 to disclose information on the management of capital;
- (e) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose new 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.

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 14.

**Adoption of new and revised standards**

As explained above, the company has adopted FRS 101 for the first time in the current year. As part of this adoption, IFRS 13 Fair Value Measurement was adopted in the current year. IFRS 13 impacts the disclosure of investment properties; as set out in note 2. Also, IFRS 13 includes extensive disclosure requirements; the company has taken advantage of the exemption provided under FRS 101 from providing these disclosures.

**Bluebutton (12702) Limited**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**for the year ended 31 March 2016**

**1 Accounting policies (continued)**

**Going concern**

The Balance Sheet shows that the company has net current liabilities and net liabilities. However, the principal creditor is the ultimate parent company and the terms of the borrowing include the right of the subsidiary to request that the amount of the loan, equal to any deficit be eliminated by converting the loan into share capital.

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.

**Significant judgements and sources of estimation uncertainty**

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

**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.

**Taxation**

Current tax is based on taxable profit for the year and is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date. Taxable profit differs from net profit as reported in the income statement 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.

**Net rental income**

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 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 dilapidations and non-recoverable outgoings relating to the lease concerned is immediately reflected in income.

**Bluebutton (12702) Limited**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**for the year ended 31 March 2016**

**2 Explanation of transition to FRS 101**

This is the first year that the company has presented its financial statements under FRS 101 as adopted by the EU. The following disclosures are required in the year of transition. The last financial statements under a previous GAAP (UK GAAP) were for the year ended 31 March 2015 and the date of transition to FRS 101 was therefore 1 April 2014.

**Reconciliation of profit and loss account**

No adjustments were posted to restate the prior years' profit and loss account as a result of the decision to transition to FRS 101 on 1 April 2014.

**Reconciliation of equity**

The following is a reconciliation illustrating the adjustments posted to the balance sheet to restate the prior year comparatives as a result of the transition to FRS 101 from UK GAAP during the year. This reconciliation also illustrates the adjustments posted to restate both the opening and closing position in the prior year.

|                         | 2015<br>UK GAAP<br>£ | Transition<br>adjustment<br>£ |     | 2015<br>FRS 101<br>£ | 2014<br>UK GAAP<br>£ | Transition<br>adjustment<br>£ |     | 2014<br>FRS 101<br>£ |
|-------------------------|----------------------|-------------------------------|-----|----------------------|----------------------|-------------------------------|-----|----------------------|
| Profit and loss account | 60,596               | (226,001)                     | (i) | (165,405)            | 59,688               | (226,001)                     | (i) | (166,313)            |
| Revaluation reserve     | (226,001)            | 226,001                       | (i) | -                    | (226,001)            | 226,001                       | (i) | -                    |

**Notes to reconciliation of equity**

- (i) This adjustment has been posted to reclassify the revaluation reserve to retained earnings. Under FRS 101, there is no separate revaluation reserve as it forms part of the retained earnings account balance.

**3 Turnover**

|                       | 2016<br>£    | 2015<br>£    |
|-----------------------|--------------|--------------|
| Rental income         | 1,002        | 1,000        |
| <b>Total turnover</b> | <b>1,002</b> | <b>1,000</b> |

**4 Profit on ordinary activities before taxation**

|  | 2016<br>£ | 2015<br>£ |
|--|-----------|-----------|
| Profit on ordinary activities before taxation is started after charging: |           |           |
| Fees payable to company's auditors                                       |           |           |
| - audit of company's financial statements                                | 3,796     | 3,796     |

Audit fees relating to the year ended 31 March 2016 and 31 March 2015 were paid to PricewaterhouseCoopers LLP.

No non-audit fees were incurred in the year ended 31 March 2016 (2015: £nil).

**Bluebutton (12702) Limited**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**for the year ended 31 March 2016**

**5 Staff costs**

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

Average number of employees, excluding directors, of the company during the year was nil (2015: nil).

**6 Tax on profit on ordinary activities**

|  | 2016<br>£ | 2015<br>£ |
|--|-----------|-----------|
| <b>Current tax</b>                             |           |           |
| UK corporation tax                             | -         | 92        |
| <b>Total current taxation charge</b>           | -         | 92        |
| <b>Deferred tax</b>                            |           |           |
| Origination and reversal of timing differences | -         | -         |
| Total deferred tax charge                      | -         | -         |
| <b>Total taxation charge</b>                   | -         | 92        |

The tax assessed for the year is lower (2015: lower) than the standard rate of corporation tax in the UK of 20% (2015: 21%).

|  | 2016<br>£ | 2015<br>£ |
|--|-----------|-----------|
| <b>Tax reconciliation</b>  |           |           |
| Profit on ordinary activities before taxation                                      | 111,866   | 1,000     |
| Tax on profit on ordinary activities at UK corporation tax rate of 20% (2015: 21%) | 22,373    | 210       |
| Effects of:  |           |           |
| REIT exempt income and gains   | (200)     | (118)     |
| Income not taxable for tax purposes  | (22,173)  | -         |
| Group relief claimed   | -         | (92)      |
| Consideration paid for group relief  | -         | 92        |
| <b>Total tax charge</b>  | -         | 92        |

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

In the Budget on 16 March 2016, the Chancellor announced additional planned reductions to 17% effective from 1 April 2020. This will reduce the company's future current tax charge accordingly.



**Bluebutton (12702) Limited**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**for the year ended 31 March 2016**

**7 Investment properties**

|                                       | <b>Total<br/>£</b> |
|---------------------------------------|--------------------|
| <b>At valuation</b>                   |                    |
| 1 April 2015                          | 950,000            |
| <b>31 March 2016</b>                  | <u>950,000</u>     |
| <b>At valuation</b>                   |                    |
| 1 April 2014                          | 950,000            |
| 31 March 2015                         | <u>950,000</u>     |
| <b>Analysis of cost and valuation</b> |                    |
| <b>31 March 2016</b>                  |                    |
| Cost                                  | 1,176,001          |
| Revaluation                           | <u>(226,001)</u>   |
| <b>Net book value</b>                 | <u>950,000</u>     |
| <b>31 March 2015</b>                  |                    |
| Cost                                  | 1,176,001          |
| Revaluation                           | <u>(226,001)</u>   |
| <b>Net book value</b>                 | <u>950,000</u>     |

At 31 March 2016, the book value of company's freehold investment properties was £950,000 (2015: £950,000).

Properties were valued as at 31 March 2016 by Knight Frank LLP on the basis of Market Value, in accordance with the RICS Valuation - Professional Standards 2014, Ninth Edition, published by The Royal Institution of Chartered Surveyors.

**8 Debtors**

|   | <b>2016<br/>£</b> | <b>2015<br/>£</b> |
|---|-------------------|-------------------|
| <b>Current debtors (receivable within one year)</b> |                   |                   |
| Trade debtors                                       | 2,400             | 1,200             |
| Amounts owed by group companies - current accounts  | <u>21,439</u>     | <u>21,440</u>     |
|   | <u>23,839</u>     | <u>22,640</u>     |

**Bluebution (12702) Limited**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**for the year ended 31 March 2016**

**9 Creditors due within one year**

|  | 2016             | 2015             |
|--|------------------|------------------|
| Amounts owed to group companies - current accounts | 1,026,625        | 1,026,425        |
| Other taxation and social security                 | -                | 110,865          |
| Accruals and deferred income                       | 751              | 753              |
|  | <u>1,027,376</u> | <u>1,138,043</u> |

During the year, an amount owed in respect of value added tax was released as a result of the amount being no longer deemed payable.

**10 Called up share capital**

|   | 2016     | 2015     |
|---|----------|----------|
| Issued share capital - allotted, called up and fully paid | £        | £        |
| Ordinary share of £1.00 each                              | 2        | 2        |
| Balance as at 1 April and as at 31 March: 2 shares        | <u>2</u> | <u>2</u> |

**11 Capital commitments**

The company had capital commitments contracted as at 31 March 2016 of £nil (2015: £nil).

**12 Contingent liabilities**

The company is jointly and severally liable with Bluebution Properties UK Limited and fellow subsidiaries for all monies falling due under the group VAT registration.

**13 Subsequent events**

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

**14 Immediate parent and ultimate holding company**

The immediate parent company is Bluebution 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 Bluebution 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 accounts of Broadgate REIT Limited can be obtained from York House, 45 Seymour Street, London W1H 7LX.