

---

# **Bluebutton (12702) Limited**

## **Annual Report and Accounts**

**Year ended 31 March 2015**

---

FRIDAY



\*A4MIROQI\*

A27

18/12/2015

#312

COMPANIES HOUSE

**Company number: 07058464**

---

**Bluebutton (12702) Limited**

**CONTENTS**

**for the year ended 31 March 2015**

**Page:**

1	Strategic Report
2	Directors' Report
4	Independent Auditors' Report
6	Profit and Loss Account
7	Statement of Total Recognised Gains and Losses
8	Balance Sheet
9	Notes to the Accounts

**Bluebutton (12702) Limited**  
**STRATEGIC REPORT**  
**for the year ended 31 March 2015**

**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 6, the company's turnover has remained consistent with the prior year and profit on ordinary activities before taxation has remained consistent with the prior year.

Dividends of £nil (2014: £nil) were paid in the year.

The Balance Sheet on page 8 shows that the company's financial position at the year end is, in net liabilities terms, consistent with the prior year.

**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; 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 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 9 December 15 and signed by the order of the board by:



N Ekpo  
Company Secretary

**Bluebutton (12702) Limited**

**DIRECTORS' REPORT**

**for the year ended 31 March 2015**

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 2015.

**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 M Barzycki (alternate S H Moore resigned 25 March 2015)

M E Cosgrave

D Devani (appointed 15 July 2014)

N G Harris

C D Morrish (resigned 15 July 2014)

T A Roberts (alternate L M Bell resigned 25 March 2015)

H Shah (alternate C M J Forshaw resigned 25 March 2015)

**Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 applicable UK Accounting Standards have 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.

**Subsequent events**

Details of significant events since the Balance Sheet date, if any, are contained in note 14.

**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.

**Bluebutton (12702) Limited**  
**DIRECTORS' REPORT (continued)**  
**for the year ended 31 March 2015**

**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**

PricewaterhouseCoopers LLP were appointed as auditors of the company for the year ended 31 March 2015 and have indicated their willingness to continue in office. Deloitte LLP were the auditors for the year ended 31 March 2014.

This report was approved by the Board on *9 December 15* 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 2015**

**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 2015 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**

Bluebutton (12702) Limited's financial statements comprise:

- the Balance Sheet as at 31 March 2015;
- the Profit and Loss Account for the year then ended;
- the Statement of Total Recognised Gains and Losses 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 applicable law and United Kingdom Accounting Standards (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 2, 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 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 2015**

**What an audit of financial statements involves**

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

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

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

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

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

*Saira Choudhry*

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

15 December 2015

**Bluebutton (12702) Limited**  
**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 March 2015**

	Note	2015 £	2014 £
<b>Turnover</b>	<b>2</b>	1,000	1,001
Cost of sales		-	-
<b>Gross profit</b>		<u>1,000</u>	<u>1,001</u>
Administrative expenses		-	-
<b>Operating profit</b>		<u>1,000</u>	<u>1,001</u>
<b>Profit on ordinary activities before interest and taxation</b>		<u>1,000</u>	<u>1,001</u>
<b>Profit on ordinary activities before taxation</b>	<b>3</b>	1,000	1,001
Tax on profit on ordinary activities	<b>5</b>	(92)	(102)
<b>Profit for the financial year</b>	<b>10</b>	<u><u>908</u></u>	<u><u>899</u></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.

There is no material difference in either year between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical equivalents.



**Bluebutton (12702) Limited**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

**for the year ended 31 March 2015**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Profit for the financial year</b>	908	899
<b>Total Recognised Gains and Losses relating to the financial year</b>	<u>908</u>	<u>899</u>

**Bluebutton (12702) Limited****BALANCE SHEET****as at 31 March 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Investment properties	6	950,000	950,000
		<u>950,000</u>	<u>950,000</u>
<b>Current assets</b>			
Debtors	7	22,640	21,337
		<u>22,640</u>	<u>21,337</u>
<b>Creditors due within one year</b>	8	(1,138,043)	(1,137,648)
<b>Net current liabilities</b>		<u>(1,115,403)</u>	<u>(1,116,311)</u>
<b>Total assets less current liabilities</b>		<u>(165,403)</u>	<u>(166,311)</u>
<b>Net liabilities</b>		<u>(165,403)</u>	<u>(166,311)</u>
<b>Capital and reserves</b>			
Called up share capital	9	2	2
Revaluation reserve	10	(226,001)	(226,001)
Profit and Loss Account	10	60,596	59,688
<b>Total shareholders' deficit</b>	10	<u>(165,403)</u>	<u>(166,311)</u>

The financial statements of Bluebutton (12702) Limited, company number 07058464 on page 6 to 14, were approved by the Board of Directors on 9 December 2015 and signed on its behalf by:



H. Shen  
Director

**Bluebutton (12702) Limited**  
**NOTES TO THE ACCOUNTS**  
**for the year ended 31 March 2015**

**1 Accounting policies**

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

These financial statements are designed to cover a wide variety of companies and circumstances. As a result some notes or some entries in the primary statements or the notes may not be relevant for this company and so may be left blank intentionally.

**Accounting basis**

The financial statements are prepared in accordance with Companies Act 2006, applicable United Kingdom law and Accounting Standards and under the historical cost convention as modified by the revaluation of investment properties and other fixed asset investments.

Where the company has subsidiaries, it has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of another company. Group financial statements, which include the company, for Broadgate REIT Limited are publicly available (see note 15).

**Basis of preparation**

The Balance Sheet shows that the company has net current and total 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.

**Cash flow statement**

The company is exempt under FRS 1 (Revised) from preparing a cash flow statement.

**Investment properties**

Investment properties are externally valued on an open market basis at the Balance Sheet date. Investment and development properties are recorded at valuation. Any surplus or deficit arising is transferred to revaluation reserve, unless a deficit is expected to be permanent, in which case it is charged to the Profit and Loss Account. Disposals are recognised on completion: profit on disposal is determined as the difference between sales proceeds and the carrying amount of the asset at the commencement of the accounting period plus additions in the period.

In accordance with Statement of Standard Accounting Practice 19, no depreciation is provided in respect of investment property. The directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view. The financial effect of the departure from these rules cannot reasonably be quantified as depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

A property ceases to be treated as a development on practical completion.

In determining whether leases and related properties represent operating or finance leases, consideration is given to whether the tenant or landlord bears the risks and rewards of ownership.

**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.

**Bluebutton (12702) Limited**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**for the year ended 31 March 2015**

**1 Accounting policies (continued)**

**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 next rent review 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 next rent review 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 next rent review 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.

**2 Turnover**

	<b>2015</b> <b>£</b>	<b>2014</b> <b>£</b>
Rental income	1,000	1,001
<b>Total turnover</b>	<b>1,000</b>	<b>1,001</b>

**3 Profit on ordinary activities before taxation**

	<b>2015</b> <b>£</b>	<b>2014</b> <b>£</b>
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 2015 are paid to PricewaterhouseCoopers LLP. Audit fees relating to the year ended 31 March 2014 were paid to Deloitte LLP.

No non-audit fees were incurred in the year ended 31 March 2015 (2014: £nil).

**Bluebutton (12702) Limited**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**for the year ended 31 March 2015**

**4 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 or recharges were made.

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

**5 Tax on profit on ordinary activities**

	2015 £	2014 £
<b>Current tax</b>		
UK corporation tax	92	102
<b>Total current taxation charge</b>	<u>92</u>	<u>102</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
Total deferred tax charge	-	-
<b>Total taxation charge</b>	<u>92</u>	<u>102</u>

The tax assessed for the year is lower (2014: lower) than the standard rate of corporation tax in the UK of 21% (2014: 23%).

**Tax reconciliation**

Profit on ordinary activities before taxation	1,000	1,001
Tax on profit on ordinary activities at UK corporation tax rate of 21% (2014: 23%)	210	230
Effects of:		
REIT exempt income and gains	(118)	(128)
Group relief (claimed)	(92)	(102)
Consideration paid for group relief	92	102
<b>Current tax charge</b>	<u>92</u>	<u>102</u>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. These rate reductions have been reflected in the calculation of deferred tax at the Balance Sheet date.

In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly. The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted.

**Bluebutton (12702) Limited**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**for the year ended 31 March 2015**

**6 Investment properties**

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

At 31 March 2015, the book value of company's freehold investment properties was £950,000 (2014: £1,176,001).

Properties were valued as at 31 March 2015 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.

**Bluebutton (12702) Limited**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**for the year ended 31 March 2015**

**7 Debtors**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Current debtors (receivable within one year)</b>		
Trade debtors	1,200	-
Amounts owed by group companies - current accounts	21,440	21,337
	<u>22,640</u>	<u>21,337</u>

**8 Creditors due within one year**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Amounts owed to group companies - current accounts	1,026,425	302,678
Other taxation and social security	110,864	834,217
Accruals and deferred income	753	753
	<u>1,138,043</u>	<u>1,137,648</u>

**9 Share capital**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Issued share capital - allotted, called up and fully paid</b>		
<b>Ordinary share of £1.00 each</b>		
Balance as at 1 April and 31 March: 2 shares	<u>2</u>	<u>2</u>

**Bluebutton (12702) Limited**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**for the year ended 31 March 2015**

**10 Reconciliation of movements in shareholders' funds/(deficit) and reserves**

	Share capital £	Revaluation reserve £	Profit and loss account £	Total shareholders' deficit £
Opening shareholders' deficit	2	(226,001)	59,688	(166,311)
Profit for the financial year	-	-	908	908
Closing shareholders' deficit	<u>2</u>	<u>(226,001)</u>	<u>60,596</u>	<u>(165,403)</u>

**11 Capital commitments**

The company had capital commitments contracted as at 31 March 2015 of £nil (2014: £nil).

**12 Contingent liabilities**

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

**13 Related parties**

The company has taken advantage of the exemption granted to wholly owned subsidiaries not to disclose transactions with group companies under the provisions of Financial Reporting Standard 8.

**14 Subsequent events**

There have been no significant events since the year end.

**15 Immediate parent and ultimate holding company**

The immediate parent company is Bluebutton Properties UK Limited.

The ultimate parent company is Broadgate REIT Limited. Broadgate REIT Limited operates as a joint venture between Euro Bluebell LLP, an affiliate of GIC, Singapore's sovereign wealth fund, and BL Bluebutton 2014 Limited, a wholly owned subsidiary of The British Land Company PLC.

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 The British Land Company PLC, York House, 45 Seymour Street, London W1H 7LX.