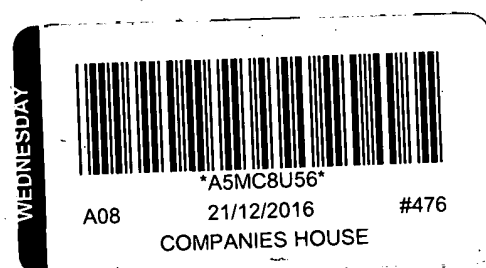

Bluebutton (5 Broadgate) UK Limited

Annual Report and Accounts

Year ended 31 March 2016



Company number: 07316457

Bluebutton (5 Broadgate) UK Limited

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for the year ended 31 March 2016

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Bluebutton (5 Broadgate) UK Limited

STRATEGIC REPORT for the year ended 31 March 2016

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

Principal activities

Bluebutton (5 Broadgate) UK Limited ("the company") is a wholly owned subsidiary of Bluebutton HoldCo 5 Broadgate (Jersey) 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'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.

Business review

As shown in the profit and loss account on page 7, the turnover is £27,132,593 compared to a turnover of £nil in the prior year and profit on ordinary activities before taxation is £89,031,156 compared to profit on ordinary activities before taxation of £191,654,359 in the prior year. The increase in turnover was due to a tenant taking occupation of the company's investment property in the year. The reduced level of profit was principally driven by lower levels of investment property revaluation gains compared to the prior year.

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

The balance sheet on page 9 shows the company's financial position at the year end with net assets of £637,704,161 compared to £548,678,067 at 31 March 2015.

The value of investment properties held as at 31 March 2016 increased by 16.3% due to revaluation movements and additions in the year then ended as shown in note 8.

During the year to 31 March 2016, the amount owing to The British Land Company PLC were repaid in full.

During the year, the company transitioned from UK GAAP to FRS 101 - Reduced Disclosures 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:

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.

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 (5 Broadgate) UK 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 financial risks for the group are disclosed in the consolidated group accounts.

This report was approved by the Board on 16/12/16 and signed by the order of the board by:



H M Hanscomb
For British Land Company Secretarial Limited
Company Secretary

Bluebutton (5 Broadgate) UK 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 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 including safe disposal of manufacturing waste, recycling and reducing energy consumption.

Directors

The directors who were in office during the year and 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 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 Financial Reporting Standard 101 Reduced Disclosures 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 Disclosures 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 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.

The company has indemnified its current directors. The indemnity arrangements are qualifying indemnity provisions under the Companies Act 2006 and are currently in force at the date of this Annual Report.

Subsequent events

Details of significant events since the balance sheet date, if any, are contained in note 16.

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 (5 Broadgate) UK 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 16/12/16 and signed by the order of the board by:



H M Hanscomb
For British Land Company Secretarial Limited
Company Secretary

Bluebutton (5 Broadgate) UK Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF Bluebutton (5 Broadgate) UK Limited for the year ended 31 March 2016

Report on the financial statements

Our opinion

In our opinion, Bluebutton (5 Broadgate) UK 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 Account (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 (5 Broadgate) UK Limited

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
Bluebutton (5 Broadgate) UK Limited (CONTINUED)
for the year ended 31 March 2016**

What an audit of financial statements involves

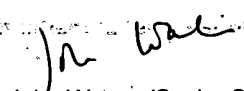
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

16 December 2016

Bluebutton (5 Broadgate) UK Limited**PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2016**

	Note	2016 £	Restated 2015 £
Turnover		27,132,593	-
Cost of sales		(21,636)	-
Gross profit		27,110,957	-
Administrative expenses		(667,996)	-
Operating profit		26,442,961	-
Revaluation of investment properties	8	64,944,629	193,618,924
Profit on ordinary activities before taxation and interest		91,387,590	193,618,924
Interest receivable and similar income	5	25,311	3,555
Interest payable and similar charges	6	(2,381,745)	(1,968,120)
Profit on ordinary activities before taxation	3	89,031,156	191,654,359
Tax on profit on ordinary activities	7	(5,062)	859,308
Profit for the financial year		89,026,094	192,513,667

Turnover and results are derived from continuing operations within the United Kingdom. The company has no significant class of business, that of property investment in the United Kingdom.

Bluebutton (5 Broadgate) UK Limited

**STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2016**

	2016 £	Restated 2015 £
Profit for the financial year	89,026,094	192,513,667
Total comprehensive income for the year	<u>89,026,094</u>	<u>192,513,667</u>

Bluebutton (5 Broadgate) UK Limited

**BALANCE SHEET
as at 31 March 2016**

	Note	2016 £	£	Restated 2015 £	£
Fixed assets					
Investment properties	8	928,500,000		798,200,000	
Investments	9	20,723		20,723	
		<u>928,520,723</u>		<u>798,220,723</u>	
Current assets					
Debtors	10	1,891,057		4,445,656	
Cash at bank and in hand		16,748,798		1,404,588	
		<u>18,639,855</u>		<u>5,850,244</u>	
Creditors due within one year	11	<u>(309,456,417)</u>		<u>(255,392,900)</u>	
Net current liabilities		<u>(290,816,562)</u>		<u>(249,542,656)</u>	
Net assets		<u>637,704,161</u>		<u>548,678,067</u>	
Capital and reserves					
Called up share capital	12	235,718,934		235,718,934	
Profit and loss account		401,985,227		312,959,133	
Total equity		<u>637,704,161</u>		<u>548,678,067</u>	

The financial statements of Bluebutton (5 Broadgate) UK Limited, company number 07316457, on pages 7 to 17, were approved by the Board of Directors and authorised for issue on 26/22/2026 and signed on its behalf by:

Director



M. COSGRAVE

Bluebutton (5 Broadgate) UK Limited

**STATEMENT OF CHANGES IN EQUITY
as at 31 March 2016**

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 April 2014 (restated)	235,718,934	120,445,466	356,164,400
Profit for the financial year (restated)	-	192,513,667	192,513,667
Total comprehensive income for the year (restated)	-	192,513,667	192,513,667
Balance at 31 March 2015 (restated)	235,718,934	312,959,133	548,678,067
Profit for the financial year	-	89,026,094	89,026,094
Total comprehensive income for the year	-	89,026,094	89,026,094
Balance at 31 March 2016	235,718,934	401,985,227	637,704,161

Bluebutton (5 Broadgate) UK Limited

NOTES TO THE ACCOUNTS **for the year ended 31 March 2016**

1. Accounting policies

The principal accounting policies adopted by the directors are summarised below. They have been applied consistently throughout the current and prior 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 2015, 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 year financial statements were restated 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, modified for fair value accounting on 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. Details of the parent in whose consolidated financial statements the company is included in are shown in note 17 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 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
- (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 disclosures requirements are met in the consolidated financial statements. Where required equivalent disclosures are given in the group accounts of the Broadgate REIT Limited. The group accounts of Broadgate REIT Limited are available to the public and can be obtained as set out in note 17.

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.

Significant judgements and sources of estimation uncertainty

There are no such relevant judgements or estimates

Bluebutton (5 Broadgate) UK 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. 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 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.

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.

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.

Financial assets

The group classified all financial assets into the category debtors. They are subsequently measured at amortised cost.

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 Profit and Loss Account because it excludes items of income or expense that are not taxable (or tax deductible).

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

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. 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.

Bluebutton (5 Broadgate) UK Limited

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

2. Explanation of transition to FRS 101 (continued)

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 UK GAAP £	Transition adjustment £		2015 FRS 101 £		2014 UK GAAP £	Transition adjustment £		2014 FRS 101 £
Profit and loss account	(3,379,090)	316,338,223	(i)	312,959,133		(2,273,833)	122,719,299	(i)	120,445,466
Revaluation reserve	316,338,223	(316,338,223)	(i)	-		122,719,299	(122,719,299)	(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. Profit on ordinary activities before taxation

A notional charge of £5,000 (2015: £5,000) is deemed payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements. Actual amounts payable to PricewaterhouseCoopers LLP are paid by Bluebutton Properties UK Limited.

No non-audit fees were paid to PricewaterhouseCoopers LLP (2015: £nil).

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 (2015: nil).

5. Interest receivable and similar income

	2016 £	2015 £
Deposits, Securities and Liquid investment	25,311	3,555
	25,311	3,555

Bluebutton (5 Broadgate) UK Limited

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

6. Interest payable and similar charges

	2016 £	2015 £
External - loan arrangement fees	176,846	1,215,796
- movement in interest rate derivative	189,640	752,324
Intercompany interest payable	2,015,259	-
Bank loans and overdrafts	-	-
	<u>2,381,745</u>	<u>1,968,120</u>

7. Tax on profit on ordinary activities

	2016 £	Restated 2015 £
Current tax		
UK corporation tax	5,062	(859,308)
Total current taxation charge/(credit)	<u>5,062</u>	<u>(859,308)</u>
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax charge	-	-
Total taxation charge/(credit)	<u>5,062</u>	<u>(859,308)</u>
Tax reconciliation		
Profit on ordinary activities before taxation	89,031,156	191,654,359
Tax on profit on ordinary activities at UK corporation tax rate of 20% (2015: 21%)	17,806,231	40,247,416
Effects of:		
REIT exempt income and gains	(2,208,473)	1,092,407
Capitalised Interest	(400,097)	(1,539,156)
Increase in fair value of investment property	(12,988,926)	(40,659,975)
Income not taxable for tax purposes	4,327	-
Capital allowances	(2,208,000)	-
Group relief claimed	-	859,308
Consideration paid for Group Relief	-	(859,308)
Total tax charge/(credit)	<u>5,062</u>	<u>(859,308)</u>

Reductions to the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 18% (effective 1 April 2020) were substantively 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 (5 Broadgate) UK Limited

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

8. Investment properties

	Total £
At valuation	
1 April 2015	798,200,000
Additions	38,222,778
Lease incentives and rent review receivables	27,132,593
Revaluation of investment properties	64,944,629
31 March 2016	<u>928,500,000</u>
1 April 2014	501,250,000
Additions	103,331,076
Revaluation of investment properties	193,618,924
31 March 2015	<u>798,200,000</u>
Analysis of cost and valuation	
31 March 2016	
Cost	547,217,148
Revaluation	381,282,852
Net book value	<u>928,500,000</u>
31 March 2015	
Cost	481,861,777
Revaluation	316,338,223
Net book value	<u>798,200,000</u>

At 31 March 2016, the book value of freehold investment properties owned by the company was £928,500,000 (2015: £798,200,000).

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.

Bluebutton (5 Broadgate) UK Limited

NOTES TO THE ACCOUNTS (CONTINUED) for the year ended 31 March 2016

9. Investments

	Shares in subsidiaries £	Participating interests £	Total £
At cost or underlying net asset value of investment			
1 April 2015	16,324	4,399	20,723
31 March 2016	16,324	4,399	20,723
Provision for underlying net asset change			
1 April 2015	(258,197,925)	-	(258,197,925)
31 March 2016	(258,197,925)	-	(258,197,925)
At cost			
31 March 2016	258,214,249	4,399	258,218,648
31 March 2015	258,214,249	4,399	258,218,648

The company has investments in the following direct subsidiaries:

Subsidiary	Principal activity	Interest	Country
4 Broadgate 2010 Limited	Non-trading	100%	United Kingdom
6 Broadgate 2010 Limited	Non-trading	100%	United Kingdom

At 31 March 2016, the company held the beneficial ownership of 17,595 shares of £1 each, 25 pence paid, being 35% of the issued share capital of Broadgate Circle Management Limited, a company engaged in estate management and the provision of property services in the United Kingdom. The cost at 31 March 2016 was £4,399 (2015: £4,399).

10. Debtors

	2016 £	2015 £
Trade debtors	75,224	-
Amounts owed by group undertakings	-	420,307
Amounts owed by group companies - current accounts	319,183	785,627
Other debtors	416,635	2,190,774
Interest rate derivative asset	-	189,640
Other taxation and social security	965,898	859,308
Prepayments and accrued income	114,117	-
	1,891,057	4,445,656

Bluebutton (5 Broadgate) UK Limited

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

11. Creditors due within one year

	2016 £	2015 £
Amounts owed to group undertakings	-	46,429
Amounts owed to group companies - current accounts	303,807,803	361,277
Accruals and deferred income	5,648,614	11,700,065
Other creditors	-	78,586
Amounts owed to The British Land Company PLC	-	243,206,543
	<u>309,456,417</u>	<u>255,392,900</u>

12. Called up share capital

	2016 £	2015 £
Issued share capital - allotted, called up and fully paid		
Ordinary shares of £1.00 each		
Balance as at 1 April and 31 March: 235,718,934 shares	<u>235,718,934</u>	<u>235,718,934</u>

13. Capital commitments

The company had capital commitments contracted as at 31 March 2016 of £19,871,414 (2015: £46,189,106).

14. Contingent liabilities

The company had no contingent liabilities as at 31 March 2016 (2015: £nil).

15. Related parties

During the year, Bluebutton Property Management UK Limited recharged £51,926,983 (2015: £91,379,683) of development costs to Bluebutton (5 Broadgate) UK Limited. Bluebutton Property Management UK Limited is a joint venture between The British Land Company PLC and BRE/Brick Limited.

During the year, Bluebutton (5 Broadgate) UK Limited incurred £1,160,000 (2015: £327,778) in development fees from British Land Property Management Limited. British Land Property Management Limited is a subsidiary of The British Land Company PLC.

During the year, commitment fees of £252,045 (2015: £1,215,769) and interest of £3,545,151 (2015: £7,015,978) have been paid to The British Land Company PLC.

16. 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.

17. Immediate parent and ultimate holding company

The immediate parent company is Bluebutton HoldCo 5 Broadgate (Jersey) Limited and the ultimate holding company is Broadgate REIT Limited. Broadgate REIT Limited operates as a joint venture between EuroBluebell 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 parent company of 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.