

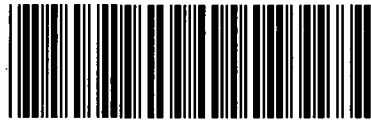
Bluebutton (5 Broadgate) UK Limited

Annual report and financial statements

for the year ended 31 March 2018

Registered number: 07316457

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Bluebutton (5 Broadgate) UK Limited

Annual report and financial statements For the year ended 31 March 2018

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Bluebutton (5 Broadgate) UK Limited

Strategic report

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

Principal activity and review of business

At the balance sheet date, 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 principal activity of the Company is property investment in the United Kingdom.

For the year ended 31 March 2018, the company generated a loss of £5,159,526 compared with a profit of £63,116,721 in 2017.

Results and dividends

The results and financial position of the Company for the year ended 31 March 2018 are set out in the financial statements. As shown in the profit and loss account on page 8, the turnover is £36,571,124 compared to a turnover of £35,324,908 in the prior year and loss on ordinary activities before taxation is £5,158,449 compared to profit on ordinary activities before taxation of £63,118,445 in the prior year. The loss was principally driven by revaluation loss on the investment property compared to the prior year.

Dividends of £35,600,000 (2017: £8,100,000) 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 £651,961,356 compared to £692,720,882 at 31 March 2017.

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 (KPIs)

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The 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 generated 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 contactors with strong covenants; and
- environmental and health and safety policies.

Bluebutton (5 Broadgate) UK Limited

Strategic report

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.

Approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Jonathan Miller', with a long horizontal stroke extending to the left.

Jonathan Miller
Director
31 December 2018

Bluebutton (5 Broadgate) UK Limited

Directors' report

The directors present their Annual Report on the affairs of the Company, together with the audited financial statements for the year ended 31 March 2018. Details of principal risks and uncertainties, review of business, results and dividends and KPIs can be found in the Strategic Report on page 1.

Going concern

The directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Directors

The following held office as directors during the year except as noted and up to the date of signing the financial statements:

M. Cosgrave (resigned 14 June 2018)
D. Devani (resigned 14 June 2018)
T. Roberts (resigned 14 June 2018)
H. Shah (resigned 14 June 2018)
N. Cahoon (resigned 14 June 2018)
D. Lockyer (resigned 14 June 2018)
E. Yeung (appointed 14 June 2018)
E. Ho (appointed 14 June 2018)
J. Miller (appointed 14 June 2018)
G. Ma (appointed 14 June 2018)

None of the directors had any interests in the shares of the Company during the year. No director beneficially owns any of the ordinary shares or share options of the Company or has had a material interest in contracts of any significance during or at the end of the year.

Subsequent events

Details of significant events since the balance sheet date are contained in note 19.

Future developments

Due to the long term nature of the leases, the Company will continue to lease the property to the current tenant.

Statement of disclosure of information to auditor

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

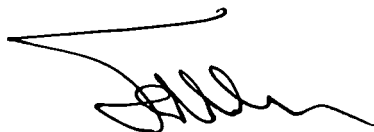
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that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

Deloitte LLP have been appointed as auditors for year ending 31 March 2018 and have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed to the shareholders.

Approved by the Board and signed on its behalf by:



Jonathan Miller
Director
31 December 2018

Bluebutton (5 Broadgate) UK Limited

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 ("FRS 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 judgments 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.

Bluebutton (5 Broadgate) UK Limited

Independent auditor's report to the members of Bluebutton (5 Broadgate) UK Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Bluebutton (5 Broadgate) UK Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosures Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Profit and Loss Account;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 101 "Reduced Disclosures Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC's") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Bluebutton (5 Broadgate) UK Limited

Independent auditor's report to the members of Bluebutton (5 Broadgate) UK Limited (continued)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatement in the Strategic Report or the Directors' Report.

Bluebutton (5 Broadgate) UK Limited

Independent auditor's report to the members of Bluebutton (5 Broadgate) UK Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Philip Doherty, FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

31 December 2018

Bluebutton (5 Broadgate) UK Limited

Profit and loss account

For the year ended 31 March 2018

	Notes	2018 £	2017 £
Turnover	4	36,571,124	35,324,908
Cost of sales		(699,882)	(30,451)
		<hr/> 35,871,242	<hr/> 35,294,457
Administrative expenses		(1,386,680)	(1,029,412)
Operating profit		<hr/> 34,484,562	<hr/> 34,265,045
Revaluation of investment properties		(39,648,678)	28,844,788
(Loss)/Profit on ordinary activities before taxation and interest		<hr/> (5,164,116)	<hr/> 63,109,833
Interest receivable and similar income	7	5,667	8,612
(Loss)/Profit on ordinary activities before taxation	5	<hr/> (5,158,449)	<hr/> 63,118,445
Tax on profit	8	(1,077)	(1,724)
(Loss)/Profit for the financial year and total comprehensive income		<hr/> <hr/> (5,159,526)	<hr/> <hr/> 63,116,721

All results are from continuing operations. The Company has one significant class of business, that of property investment in the United Kingdom.

There are no recognised gains or losses other than those shown above and consequently no separate statement of total comprehensive income is presented.

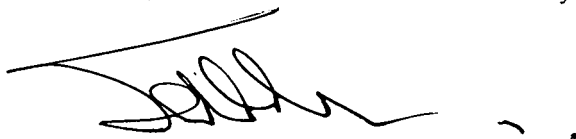
Bluebutton (5 Broadgate) UK Limited

Balance sheet

As at 31 March 2018

	Notes	2018 £	2017 £
Fixed assets			
Investment properties	9	953,275,000	996,000,000
Investments	10	20,723	20,723
		<u>953,295,723</u>	<u>996,020,723</u>
Current assets			
Debtors	11	649,804	16,450,325
Cash at bank and in hand		15,023,515	1,382,473
		<u>15,673,319</u>	<u>17,832,798</u>
Creditors: amounts falling due within one year	12	(317,007,686)	(321,132,639)
Net current liabilities		<u>(301,334,367)</u>	<u>(303,299,841)</u>
Total assets less current liabilities		<u>651,961,356</u>	<u>692,720,882</u>
Capital and reserves			
Called up share capital	13	235,718,934	235,718,934
Profit and loss account		416,242,422	457,001,948
Total shareholder's funds		<u>651,961,356</u>	<u>692,720,882</u>

The financial statements of Bluebutton (5 Broadgate) UK Limited (07316457) were approved by the Board of Directors and authorised for issue on 31 December 2018. They were signed on its behalf by:



Jonathan Miller
Director

Bluebutton (5 Broadgate) UK Limited

Statement of changes in equity For the year ended 31 March 2018

	Notes	Called up share capital £	Profit and loss account £	Total £
Balance as at 1 April 2016		235,718,934	401,985,227	637,704,161
Profit for the year and total comprehensive income		-	63,116,721	63,116,721
Dividends payable in the year	14		(8,100,000)	(8,100,000)
Balance as at 31 March 2017		235,718,934	457,001,948	692,720,882
Loss for the year and total comprehensive income		-	(5,159,526)	(5,159,526)
Dividends payable in the year	14		(35,600,000)	(35,600,000)
Balance as at 31 March 2018		235,718,934	416,242,422	651,961,356

Bluebutton (5 Broadgate) UK Limited

Notes to the financial statements

For the year ended 31 March 2018

1. Accounting policies

The principal accounting policies of the Company, which have been applied consistently during the current and prior year, are as follows:

a. General information and basis of accounting

Bluebutton (5 Broadgate) UK Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is York House, 45 Seymour Street, London W1H 7LX, United Kingdom. The nature of the Company's operations and its principal activities are set out in the Strategic Report and the Directors' report on pages 1 to 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with FRS 101 "Reduced Disclosure Framework" issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because this is the currency of the primary economic environment in which the Company operates.

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

The financial statements 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.

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 paragraph 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 statement. 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 18.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its Group.

Bluebutton (5 Broadgate) UK Limited

Notes to the financial statements

For the year ended 31 March 2018

Accounting policies (continued)

b. Going concern

The Balance Sheet shows that the Company has net current liabilities. The directors have reviewed the Company's working capital and cash flow requirements, along with considering that the Company is part of and has the support of a wider Group of companies.

As a consequence of this the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

c. 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.

d. Interest receivable

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e. Investments

Fixed asset investments are stated at the lower of cost and the underlying net asset value of the investments.

f. Other financial liabilities / borrowings

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

g. Financial assets

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

h. Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

i. Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax are measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non- discounted basis.

Bluebutton (5 Broadgate) UK Limited

Notes to the financial statements

For the year ended 31 March 2018

Accounting policies (continued)

j. 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 that the carrying value of the related property including the accrued rent does not exceed the external valuation. Initial direct costs incurred in negotiation 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.

k. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

2. Critical accounting judgements

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources, for example, accruals. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no critical accounting judgements in the year.

3. Key sources of estimation uncertainty

The key source of estimation uncertainty relates to the carrying value of investments and 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.

Bluebutton (5 Broadgate) UK Limited

Notes to the financial statements

For the year ended 31 March 2018

4. Turnover

	2018 £	2017 £
Rental income (all rental income is earned in the United Kingdom)	36,571,124	35,324,908
Total turnover	36,571,124	35,324,908

5. (Loss)/Profit on ordinary activities before taxation

A charge of £26,400 (2017: £3,800) is deemed payable to Deloitte LLP (previously PricewaterhouseCoopers LLP) in respect of the audit of the financial statements. Actual amounts payable to Deloitte LLP are paid by Bluebutton (5 Broadgate) UK Limited.

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

6. Staff costs

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

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

7. Interest receivable and similar income

	2018 £	2017 £
Interest on cash and cash equivalents	5,667	8,612

8. Tax on profit

	2018 £	2017 £
Current tax		
UK corporation tax	1,077	1,724
Tax reconciliation		
(Loss)/Profit on ordinary activities before taxation	(5,158,449)	63,118,445
Current United Kingdom corporation tax at 19% (2017: 20%)	(980,105)	12,623,689
Effects of:		
REIT exempt income and gains	(5,048,795)	(4,680,546)
Decrease/(Increase) in fair value of investment property	7,633,876	(5,768,957)
Expenses not deductible for tax purposes	4,887	5,145
Capital allowances	(1,608,786)	(2,177,607)
Total tax charge	1,077	1,724

The corporation tax rate in the UK changed from 20% to 19% with effect from 1 April 2017 and was substantively enacted. In addition to the changes in rates of Corporation tax above, the main rate is reduced to 17% for financial year 2020.

Bluebutton (5 Broadgate) UK Limited

Notes to the financial statements For the year ended 31 March 2018

9. Investment properties

	£
At valuation	
1 April 2017	996,000,000
Additions	300,602
Lease incentives and rent review receivables	(3,376,924)
Revaluation of investment properties	(39,648,678)
31 March 2018	953,275,000
1 April 2016	928,500,000
Additions	14,169,382
Lease incentives and rent review receivables	24,485,830
Revaluation of investment properties	28,844,788
31 March 2017	996,000,000
Analysis of cost and valuation	
31 March 2018	
Cost	582,796,038
Revaluation	370,478,962
Net book value	953,275,000
31 March 2017	
Cost	585,872,360
Revaluation	410,127,640
Net book value	996,000,000

At 31 March 2018, the book value of freehold investment properties owned by the Company was £953,250,000 (2017: £996,000,000).

Investment properties are valued by adopting the “investment method” of valuation. This approach involves applying capitalisation yield to current and estimated future rental streams net of income voids arising from vacancies or rent-free periods and associated running costs. These capitalisation yields and rental values are based on comparable property and leasing transactions in the market, using the valuers’ professional judgement and market observation. Other factors taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions.

Properties were valued as at 25 May 2018 by Colliers International Valuation UK LLP on the basis of Market Value, in accordance with the RICS Valuation – Professional Standards 204, Ninth Edition, published by The Royal Institution of Chartered Surveyors.

Bluebutton (5 Broadgate) UK Limited

Notes to the financial statements

For the year ended 31 March 2018

9. Investment properties (continued)

The Company leases out all of its investment properties under operating leases. The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	2018 £	2017 £
Less than one year	40,198,081	38,974,076
Between one and five years	160,902,456	155,896,304
Greater than five years	417,783,452	443,673,119
Total	618,883,989	638,543,499

10. Investments

	Shares in subsidiaries £	Participating interest £	Total £
At cost or underlying net asset value of investment			
1 April 2017	16,324	4,399	20,723
31 March 2018	16,324	4,399	20,723
Provision for underlying net asset change			
1 April 2017	(258,197,925)	-	(258,197,925)
31 March 2018	(258,197,925)	-	(258,197,925)
At cost			
31 March 2018	258,214,249	4,399	258,218,648
31 March 2017	258,214,249	4,399	258,218,648

The Company has investments in the following subsidiaries, unless noted otherwise the registered address of each Company is York House, 45 Seymour Street, London W1H 7LX.

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 2018, 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 2018 was £4,399 (2017: £4,399).

Bluebutton (5 Broadgate) UK Limited

Notes to the financial statements

For the year ended 31 March 2018

11. Debtors

	2018 £	2017 £
Amounts owed by group companies – current accounts	333,349	15,943,184
Other debtors	238,222	416,635
Other taxation and social security	78,233	-
Prepayments and accrued income	-	90,506
	<u>649,804</u>	<u>16,450,325</u>

Amount owed to group undertaking is unsecured, interest free and repayable on demand.

12. Creditors: amounts falling due within one year

	2018 £	2017 £
Amount owed to group undertaking – current accounts	305,634,739	309,820,174
Accruals and deferred income	9,325,272	9,481,692
Other taxation and social security	2,034,026	1,822,831
Trade creditors	14,295	2,880
Corporation tax	(646)	5,062
	<u>317,007,686</u>	<u>321,132,639</u>

The debit balance of £646 in Creditors - Corporation tax is due to an adjustment to corporation tax liability in current tax year.

Amount owed to group undertaking is unsecured and repayable on demand. No interest is charged on these balances on intercompany loan accounts as they are interest-free.

13. Called up share capital

	2018 £	2017 £
Issued share capital – allotted, called up and fully paid		
Ordinary shares at £1.00 each		
As at 31 March: 235,718,934 shares	<u>235,718,934</u>	<u>235,718,934</u>

14. Dividends

	2018 £	2017 £
Total value of dividend paid in the year	<u>35,600,000</u>	<u>8,100,000</u>
	35,600,000	8,100,000
Dividend paid per share	<u>0.15</u>	<u>0.03</u>

Bluebutton (5 Broadgate) UK Limited

Notes to the financial statements

For the year ended 31 March 2018

15. Capital commitments

The Company had capital commitments contracted as at 31 March 2018 of £361,661 (2017: £122,235).

16. Contingent liabilities

The Company had no contingent liabilities as at 31 March 2018 (2017: £nil)

17. Related parties

During the year, Bluebutton Property Management UK Limited recharged £230,779 (2017: £19,092,412) 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 £nil (2017: £400,000) in development fees from British Land Property Management Limited. British Land Property Management Limited is a subsidiary of the British Land Company PLC.

18. Immediate and ultimate parent undertaking

At the balance sheet date, 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.

19. Subsequent events

Since the year end the ultimate parent company changed as of 14 June 2018 from Broadgate REIT Limited to CK Asset Holdings Group, a company listed on The Stock Exchange of Hong Kong Limited and incorporated in the Cayman Islands. The address of the registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The group financial statements of CK Asset Holdings Limited, which is both the largest and smallest group into which the financial results of the Company are consolidated, can be obtained from 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.