

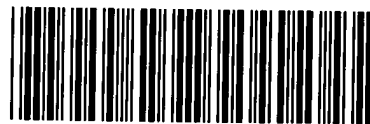
Registration number: 09048771

BL Bluebutton 2014 Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2020

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BL Bluebutton 2014 Limited

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BL Bluebutton 2014 Limited

Strategic Report for the Year Ended 31 March 2020

The directors present their Strategic Report for the year ended 31 March 2020.

Business review and principal activities

BL Bluebutton 2014 Limited ("the company") is a wholly owned subsidiary of The British Land Company PLC and operates as a constituent of The British Land Company PLC group of companies ("the group").

The company's principal activity is that of an investment holding company in the United Kingdom (UK) and management expect this to continue to be the case for the foreseeable future.

As shown in the company's Profit and Loss Account on page 8, the company's turnover of £17,200,750 has decreased £257,966,908 compared with turnover of £275,167,658 in the prior year. Profit on ordinary activities before taxation is £13,273,148 compared to a profit on ordinary activities before taxation of £273,138,789 in the prior year. This is mainly due to the reduced level of income from shares in joint ventures of £3,902,000 (2019: £245,167,658) and the reduced level of income from shares in group undertakings of £13,298,750 (2019: £30,000,000) received during the year.

Dividends of £nil (2019: £326,261,008) were paid in the year.

The company received dividends from its direct subsidiaries as follows: BL Broadgate Fragment 1 Limited £2,633,153 (2019: £5,940,000), BL Broadgate Fragment 2 Limited £2,633,153 (2019: £5,940,000), BL Broadgate Fragment 3 Limited £2,633,153 (2019: £5,940,000), BL Broadgate Fragment 4 Limited £2,633,153 (2019: £5,940,000), BL Broadgate Fragment 5 Limited £1,383,070 (2019: £3,120,000), BL Broadgate Fragment 6 Limited £1,383,070 (2019: £3,120,000), in the year.

The impairment of investments in the year was £3,927,602 (2019: impairment of £2,028,869). This was based upon the underlying net asset value compared to the carrying value of investments held as detailed in the accounting policies of the company on page 13. Details of the movement can be found in note 8 to the company's balance sheet.

The Balance Sheet on page 10 shows that the company's financial position at the year end has, in net assets terms, increased compared with the prior year.

The value of investments held as at 31 March 2020 has increased by 15.2% from 31 March 2019, as shown in note 8 to the company's Balance Sheet.

The company is a subsidiary of The British Land Company PLC. The company's strategy is the same as the group's strategy - to deliver an above average annualised total return to shareholders, which is achieved by creating attractive environments in the right places focused around the people who work, shop and live in them.

The Board of the group uses total return, to monitor the performance of the group. This is a measure of growth in total equity per share, adding back any current year dividend.

Any expected future developments of the company are determined by the strategy of the group.

For more information also see The British Land Company PLC group annual report.

The performance of the group, which includes the company, is discussed in the group's annual report which does not form part of this report.

BL Bluebutton 2014 Limited**Strategic Report for the Year Ended 31 March 2020 (continued)****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 group 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;
- key staff changes; and
- environmental and health and safety policies.

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

The group's preference for prime assets and their secure long term contracted rental income, primarily with upward only rent review clauses, presents lower risks than many other property portfolios.

The financial and political risks for the company are managed in accordance with the group financial risk management policy, as disclosed in the consolidated group financial statements. The general risk environment in which the group operates has heightened over the course of the year, which is largely due to the continued level of uncertainty associated with the future impact of the UK's exit from the EU, the significant deterioration in the UK retail market and weaker investment markets.

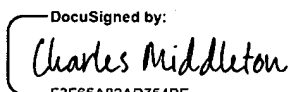
The company is financed by a variable interest rate loan from its ultimate holding company and has no third party debt. Interest can be charged at nil% where the company is not active or where to do so would put the company into financial difficulty.

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

The outbreak of Covid-19, declared by the World Health Organization as a "Global Pandemic" on 11 March 2020, creates an unprecedented degree of uncertainty over both the severity of the above risks and the effectiveness of the above mitigating actions. The decline in economic activity resulting from the pandemic is expected to heighten the risk of tenants becoming financially distressed, this will directly impact the degree of certainty around the valuation of investment properties at year end which in turn will directly impact the degree of certainty around the carrying value of investments in subsidiaries.

07.10.2020 | 14:37 BST

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

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 F3F65A82AD754BE...
 Charles Middleton

Director

BL Bluebutton 2014 Limited

Directors' Report for the Year Ended 31 March 2020

The directors present their report and the audited financial statements for the year ended 31 March 2020.

Directors of the company

The directors, who held office during the year, and up to the date of signing the financial statements, were as follows:

C J Middleton

P S Macey

D I Lockyer

N M Webb

H Shah

J C McNuff

Directors' responsibilities statement

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

The directors are responsible for 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.

The directors 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.

Directors' indemnities

A number of associated companies within the group have indemnified one or more of their 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.

Environmental matters

Across the group, The British Land Company PLC 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 group's activities. The company operates in accordance with group policies. The group's full sustainability report is available online at:

www.britishland.com/sustainability/reports-and-publications/2020

BL Bluebutton 2014 Limited

Directors' Report for the Year Ended 31 March 2020 (continued)

Going concern

The Balance Sheet shows that the company has net current liabilities. 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. The going concern of the company is therefore dependent on the going concern of the Group. The Directors feel that the Group is well placed to manage its business risks successfully despite the current economic climate as detailed in pages 102 and 152 of the annual report. Moreover the directors consider that the company has adequate resources to continue trading for the foreseeable future, and a working capital cycle enabling the company to meet all liabilities as they fall due.

As a consequence of this the directors feel that the company is well placed to managed its business risks successfully despite the current economic climate and the uncertainty resulting from the outbreak of Covid-19. Accordingly, they believe the going concern basis is an appropriate one.

Subsequent Events

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

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of independent auditors

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

07.10.2020 | 14:37 BST

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

DocuSigned by:

Charles Middleton

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CHARLES MIDDLETON

Director

Independent auditors' report to the members of BL Bluebutton 2014 Limited

Report on the audit of the financial statements

Opinion

In our opinion, BL Bluebutton 2014 Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2020; the Profit and Loss Account, the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Significant estimation uncertainty in relation to the valuation of underlying investment properties

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in notes 3 (Significant accounting judgements and key sources of estimation uncertainty) and 8 (Investments) to the financial statements. These notes explain that there is significant estimation uncertainty in relation to the valuation of underlying investment properties held by the investments included in Investments on the balance sheet as at 31 March 2020. The third-party valuers engaged by the management of BL Bluebutton 2014 Limited have included a material valuation uncertainty clause in their report. This clause highlights that less certainty, and consequently a higher degree of caution, should be attached to the valuation as a result of the COVID-19 pandemic.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained

Independent auditors' report to the members of BL Bluebutton 2014 Limited (continued)

in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Independent auditors' report to the members of BL Bluebutton 2014 Limited (continued)

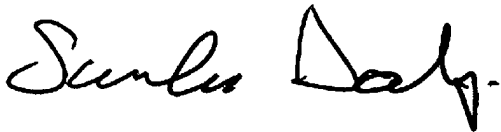
Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
7 October 2020

BL Bluebutton 2014 Limited**Profit and Loss Account for the Year Ended 31 March 2020**

	Note	2020 £	2019 £
Turnover	4	<u>17,200,750</u>	<u>275,167,658</u>
Operating profit		<u>17,200,750</u>	<u>275,167,658</u>
Impairment of investments	8	<u>(3,927,602)</u>	<u>(2,028,869)</u>
Profit on ordinary activities before taxation		13,273,148	273,138,789
Taxation	7	<u>-</u>	<u>-</u>
Profit for the financial year		<u>13,273,148</u>	<u>273,138,789</u>

Turnover and results were derived from continuing operations within the United Kingdom.

The notes on pages 12 to 19 form an integral part of these financial statements.

BL Bluebutton 2014 Limited**Statement of Comprehensive Income for the Year Ended 31 March 2020**

	2020 £	2019 £
Profit for the financial year	<u>13,273,148</u>	<u>273,138,789</u>
Total comprehensive income for the year	<u><u>13,273,148</u></u>	<u><u>273,138,789</u></u>

The notes on pages 12 to 19 form an integral part of these financial statements.

BL Bluebutton 2014 Limited

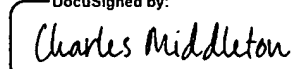
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Balance Sheet as at 31 March 2020

	Note	31 March 2020 £	31 March 2019 £
Fixed assets			
Investments	8	<u>1,399,801,543</u>	<u>1,214,682,983</u>
		<u>1,399,801,543</u>	<u>1,214,682,983</u>
Creditors due within one year	9	<u>(389,347,135)</u>	<u>(217,501,723)</u>
Net assets		<u><u>1,010,454,408</u></u>	<u><u>997,181,260</u></u>
Capital and reserves			
Share capital	10	200	200
Share premium reserve		919,549,900	919,549,900
Profit and loss account		<u>90,904,308</u>	<u>77,631,160</u>
Total shareholders' funds		<u><u>1,010,454,408</u></u>	<u><u>997,181,260</u></u>

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

DocuSigned by:

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 Charles Middleton
 Director

The notes on pages 12 to 19 form an integral part of these financial statements.

BL Bluebutton 2014 Limited**Statement of Changes in Equity for the Year Ended 31 March 2020**

	Share capital £	Share premium £	Profit and loss account £	Total £
Balance at 1 April 2018	200	919,549,900	130,753,379	1,050,303,479
Profit for the financial year	-	-	273,138,789	273,138,789
Total comprehensive income for the year	-	-	273,138,789	273,138,789
Dividends paid in the year	-	-	(326,261,008)	(326,261,008)
Balance at 31 March 2019	200	919,549,900	77,631,160	997,181,260
Balance at 1 April 2019	200	919,549,900	77,631,160	997,181,260
Profit for the financial year	-	-	13,273,148	13,273,148
Total comprehensive income for the year	-	-	13,273,148	13,273,148
Balance at 31 March 2020	200	919,549,900	90,904,308	1,010,454,408

The notes on pages 12 to 19 form an integral part of these financial statements.

BL Bluebutton 2014 Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

1 General information

The company is a private company limited by share capital, incorporated and domiciled in England, United Kingdom.

The address of its registered office is:

York House
45 Seymour Street
London
W1H 7LX

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

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.

The financial statements have been prepared under the historical cost convention. 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 in accordance with Companies Act 2006 Section 400, because it is included in the group financial statements of The British Land Company PLC.

Summary of disclosure exemptions

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

- (a) The requirements of IAS 1 to provide a Balance Sheet at the beginning of the year in the event of a prior year adjustment;
- (b) The requirements of IAS 1 to provide a Statement of Cash flows for the year;
- (c) The requirements of IAS 1 to provide a statement of compliance with IFRS;
- (d) The requirements of IAS 1 to disclose information on the management of capital;
- (e) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose new IFRS's that have been issued but are not yet effective;
- (f) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (g) The requirements of paragraph 17 of IAS 24 Related Party Disclosures to disclose key management personnel compensation;
- (h) The requirements of IFRS 7 to disclose financial instruments; and

BL Bluebutton 2014 Limited**Notes to the Financial Statements for the Year Ended 31 March 2020
(continued)****2 Accounting policies (continued)**

- (i) The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement to disclose information of fair value valuation techniques and inputs.

Disclosure exemptions for subsidiaries are permitted where the relevant disclosure requirements are met in the consolidated financial statements. Where required, equivalent disclosures are given in the group financial statements of The British Land Company PLC. The group financial statements of The British Land Company PLC are available to the public and can be obtained as set out in note 14.

Adoption status of relevant new financial reporting standards and interpretations

During the year the company adopted the following standards:

IFRS 16 - Leases

The new standard results in lessees bringing almost all operating leases on balance sheet as the distinction between operating and finance leases is removed. The accounting for lessors has not significantly changed. The Company does not hold any material leases as lessee therefore adoption of IFRS 16 has not had a material impact on the financial statements of the Company.

Going Concern

The Balance Sheet shows that the company has net current liabilities. 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. The going concern of the company is therefore dependent on the going concern of the Group. The Directors feel that the Group is well placed to manage its business risks successfully despite the current economic climate as detailed in pages 102 and 152 of the annual report. Moreover the directors consider that the company has adequate resources to continue trading for the foreseeable future, and a working capital cycle enabling the company to meet all liabilities as they fall due.

As a consequence of this the directors feel that the company is well placed to managed its business risks successfully despite the current economic climate and the uncertainty resulting from the outbreak of Covid-19. Accordingly, they believe the going concern basis is an appropriate one.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 April 2019 have had a material effect on the financial statements.

Turnover

Dividends received from subsidiary undertakings are recognised in the Profit and Loss Account in the year to which they relate.

Taxation

Current tax is based on taxable profit for the year and is calculated using tax rates that have been enacted or substantively enacted. Taxable profit differs from net profit as reported in the Profit and Loss Account because it excludes items of income or expense that are not taxable (or tax deductible).

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.

Investments

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

BL Bluebutton 2014 Limited**Notes to the Financial Statements for the Year Ended 31 March 2020
(continued)****2 Accounting policies (continued)****Creditors**

Trade and other creditors are initially recognised at fair value and subsequently measured at amortised cost and discounted as appropriate.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

3 Significant accounting judgements and key sources of estimation uncertainty

The key source of estimation uncertainty relates to the valuation of investments. 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.

Fixed asset investments are stated at the lower of cost and the underlying net asset value of the investments. In the year ended 31 March 2020, less certainty - and a higher degree of caution - can be attached to the underlying net asset value of the company's investments which hold investment property, than would normally be the case. The third party valuers for properties recognised at 31 March 2020 include a material valuation uncertainty clause in their reports. The clause highlights significant estimation uncertainty regarding the valuation of investment property due to the Covid-19 pandemic. The valuations as at the current balance sheet date should therefore be treated with additional caution. The significant estimation uncertainty regarding the valuation of investment property results in estimation uncertainty in the underlying net asset value of the investments which carry investment property.

4 Turnover

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

	2020	2019
	£	£
Income from shares in group undertakings	13,298,750	30,000,000
Income from shares in joint ventures	3,902,000	245,167,658
	<u>17,200,750</u>	<u>275,167,658</u>

5 Auditors' remuneration

A notional charge of £1,328 (2019: £1,090) is deemed payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements for the year ended 31 March 2020. Actual amounts payable to PricewaterhouseCoopers LLP are paid at group level by The British Land Company PLC.

No non-audit fees (2019: £nil) were paid to PricewaterhouseCoopers LLP.

6 Staff costs

No director (2019: nil) received any remuneration for services to the company in either year. The remuneration of the directors was borne by another company, for which no apportionment or recharges were made. The value of this service was negligible.

Average number of employees, excluding directors, of the company during the year was nil (2019: nil).

BL Bluebutton 2014 Limited**Notes to the Financial Statements for the Year Ended 31 March 2020
(continued)****7 Taxation**

	2020 £	2019 £
Current taxation		
UK corporation tax	-	-
Tax charge in the profit and loss account	-	-
	2020 £	2019 £
Tax reconciliation		
Profit on ordinary activities before taxation	13,273,148	273,138,789
Tax on profit on ordinary activities at UK corporation tax rate of 19% (2019: 19%)	2,521,898	51,896,370
Effects of:		
Decrease in fair value of property & investments	746,244	385,485
Income not taxable	(3,268,142)	(52,281,855)
Total tax charge	-	-

On 17 March 2020 legislation was substantially enacted confirming that the tax rate would not be reduced from 1 April 2020 but would remain at 19%.

BL Bluebutton 2014 Limited**Notes to the Financial Statements for the Year Ended 31 March 2020
(continued)****8 Investments**

	Shares in subsidiaries £	Investments in Joint Ventures £	Total £
Underlying net asset value of investment			
1 April 2019	60	1,214,682,923	1,214,682,983
Additions	-	189,046,162	189,046,162
Impairment of investments	-	(3,927,602)	(3,927,602)
31 March 2020	60	1,399,801,483	1,399,801,543
Underlying net asset value of investment			
1 April 2018	60	1,207,562,331	1,207,562,391
Additions	-	254,252,112	254,252,112
Impairment of investments	-	(2,028,869)	(2,028,869)
Repayment of invested capital	-	(245,102,651)	(245,102,651)
31 March 2019	60	1,214,682,923	1,214,682,983
Provision for underlying net asset change			
1 April 2019	-	(2,849,810)	(2,849,810)
Impairment of investments	-	(3,927,602)	(3,927,602)
31 March 2020	-	(6,777,412)	(6,777,412)
Provision for underlying net asset change			
1 April 2018	-	(820,941)	(820,941)
Impairment of investments	-	(2,028,869)	(2,028,869)
31 March 2019	-	(2,849,810)	(2,849,810)
At cost			
31 March 2020	60	1,406,578,895	1,406,578,955
31 March 2019	60	1,217,532,733	1,217,532,793

BL Bluebutton 2014 Limited**Notes to the Financial Statements for the Year Ended 31 March 2020
(continued)****8 Investments (continued)**

The carrying value of investments is the lower of cost and the underlying net asset value. Therefore, where the company's investments hold investment property, the underlying net asset value of those investments is dependent on the valuation of the investment property held. The outbreak of Covid-19, declared by the World Health Organization as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, the external valuers consider that they can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. The current response to Covid-19 means that external valuers are faced with an unprecedented set of circumstances on which to base a judgement. The valuations across all asset classes are therefore reported on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty - and a higher degree of caution - should be attached to the valuations provided than would normally be the case. The external valuers have confirmed, the inclusion of the "material valuation uncertainty" declaration does not mean that valuations cannot be relied upon. Rather, the phrase is used in order to be clear and transparent with all parties, in a professional manner that - in the current extraordinary circumstances - less certainty can be attached to valuations than would otherwise be the case.

As a result, less certainty can be attached to the carrying value of investments which hold investment property than would otherwise be the case.

Details of the subsidiaries as at 31 March 2020 are as follows:

Subsidiary	Principal activity	Interest	Country
BL Broadgate Fragment 1 Limited	Investment holding	100%	United Kingdom
BL Broadgate Fragment 2 Limited	Investment holding	100%	United Kingdom
BL Broadgate Fragment 3 Limited	Investment holding	100%	United Kingdom
BL Broadgate Fragment 4 Limited	Investment holding	100%	United Kingdom
BL Broadgate Fragment 5 Limited	Investment holding	100%	United Kingdom
BL Broadgate Fragment 6 Limited	Investment holding	100%	United Kingdom

Joint ventures

Details of the joint ventures as at 31 March 2020 are as follows:

Joint Venture	Principal activity	Interest	Country
Broadgate REIT Limited	Holding company	50%	Jersey
Bluebutton Properties Limited	Holding company	50%	Jersey
Bluebutton Holdco 5 Broadgate (Jersey) Limited	Holding company	50%	Jersey
Bluebutton Properties UK Limited	Holding company	50%	United Kingdom
British Land Broadgate 2005 Limited	Holding company	50%	United Kingdom
Broadgate Financing PLC	Funding company	50%	United Kingdom
Broadgate Property Holdings Limited	Holding company	50%	United Kingdom
Broadgate (Funding) 2005 Limited	Funding company	50%	United Kingdom
Broadgate (Lending) Limited	Short term funding	50%	United Kingdom
Broadgate (Cash Management) Limited	Cash management	50%	United Kingdom

BL Bluebutton 2014 Limited**Notes to the Financial Statements for the Year Ended 31 March 2020
(continued)****8 Investments (continued)**

Joint Venture	Principal activity	Interest	Country
Bluebutton Developer Company (2012) Limited	Property management	50%	United Kingdom
Bluebutton Circle Retail PHC 2013 Limited	Property investment	50%	United Kingdom
Broadgate (PHC 2) Limited	Property investment	50%	United Kingdom
Broadgate (PHC 3) Limited	Property investment	50%	United Kingdom
Broadgate (PHC 5) 2005 Limited	Property investment	50%	United Kingdom
Broadgate (PHC 5) Limited	Property investment	50%	United Kingdom
Broadgate (PHC 6) 2005 Limited	Property investment	50%	United Kingdom
Broadgate (PHC 7) Limited	Property investment	50%	United Kingdom
Broadgate (PHC 8) 2008 Limited	Property investment	50%	United Kingdom
Broadgate (PHC 9) Limited	Property investment	50%	United Kingdom
Broadgate (PHC 11) 2005 Limited	Property investment	50%	United Kingdom
Broadgate (PHC 14) Limited	Property investment	50%	United Kingdom
Broadgate (PHC 15a) Limited	Property investment	50%	United Kingdom
Broadgate (PHC 15b) Limited	Property investment	50%	United Kingdom
Broadgate (PHC 15c) Limited	Property investment	50%	United Kingdom
Broadgate (PHC 16) 2005 Limited	Property investment	50%	United Kingdom
Broadgate PHC 2010 Limited	Property investment	50%	United Kingdom
201 Bishopsgate Limited	Property investment	50%	United Kingdom
Bluebutton (12702) Limited	Property investment	50%	United Kingdom
Broadgate South Management Limited	Estate management	45%	United Kingdom
Broadgate Management (Bishopsgate) Limited	Estate management	38%	United Kingdom
Exchange Square Management Limited	Estate management	33%	United Kingdom
4 Broadgate 2010 Limited	Non-trading	50%	United Kingdom
6 Broadgate 2010 Limited	Non-trading	50%	United Kingdom
Estate Management Brick (Limited)	Dormant	50%	United Kingdom
Broadgate (PHC 11)	Dormant	50%	United Kingdom
Barstep Limited	Dormant	50%	United Kingdom
Broadgate Eldon Properties Limited	Property Investment	50%	United Kingdom

Unless noted otherwise the registered address of each company is York House, 45 Seymour Street, London, W1H 7LX.

All investments based in Jersey have a registered address of 13 - 14 Esplanade, St Helier, Jersey, JE1 1EE, Jersey.

BL Bluebutton 2014 Limited**Notes to the Financial Statements for the Year Ended 31 March 2020
(continued)****9 Creditors due within one year**

	31 March 2020 £	31 March 2019 £
Amounts due to related parties	<u>389,347,135</u>	<u>217,501,723</u>
	<u><u>389,347,135</u></u>	<u><u>217,501,723</u></u>

Amounts due to related parties relate to amounts owed to group companies which are repayable on demand. Interest is charged on these balances in accordance with the group policy on intercompany loan accounts.

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

	No.	31 March 2020 £	No.	31 March 2019 £
Ordinary shares of £1 each	200	200	200	200
	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

11 Capital commitments

The total amount contracted for but not provided in the financial statements was £nil (2019: £nil)

12 Contingent liabilities

The company is jointly and severally liable with the ultimate holding company and fellow subsidiaries for all monies falling due under the group VAT registration.

13 Subsequent events

There have been no significant events since the year end.

14 Parent and ultimate parent undertaking

The immediate parent company is The British Land Company PLC.

The British Land Company PLC is the smallest and largest group for which group financial statements are available and which include the company. The ultimate holding company and controlling party is The British Land Company PLC. Group financial statements for this company are available on request from British Land, York House, 45 Seymour Street, London, W1H 7LX.