
BL Broadgate Fragment 3 Limited

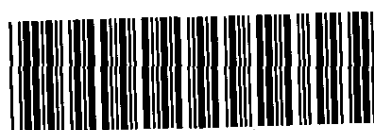
Annual Report and Accounts

Year ended 31 March 2017

Company number: 09400411

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BL Broadgate Fragment 3 Limited

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BL Broadgate Fragment 3 Limited

**STRATEGIC REPORT
for the year ended 31 March 2017**

The directors present their Strategic Report for the year ended 31 March 2017.

Principal activities

BL Broadgate Fragment 3 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 an investment holding company in the United Kingdom (UK).

Business review

As shown in the company's Profit and Loss Account on page 5, the company's profit on ordinary activities before taxation is £11,415,789 compared to profit on ordinary activities before taxation of £5,505,156 in the prior period.

Dividends of £11,415,789 (2016: £5,505,156) were paid in the year.

The Balance Sheet on page 7 shows the company's financial position at the year end is, in net asset terms, consistent with the prior period of £10.

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

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 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.

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.

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 group 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 in financial difficulty.

BL Broadgate Fragment 3 Limited

**STRATEGIC REPORT (CONTINUED)
for the year ended 31 March 2017**

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

The financial risks for the company are managed in accordance with the group financial risk management policy, as disclosed in the consolidated group accounts.

This report was approved by the Board on 29/07/17 and signed by the order of the board by:

Director

A handwritten signature in black ink, appearing to read 'T.A. Roberts', written over the printed name.

T.A. ROBERTS

BL Broadgate Fragment 3 Limited

DIRECTORS' REPORT
for the year ended 31 March 2017

The directors present their Annual Report on the affairs of the company, together with the financial statements for the year ended 31 March 2017.

Environment

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/2017.

Directors

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

S Barzycki
C Forshaw (resigned 5 April 2017)
L Bell
T Roberts
N Webb

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 Disclosure Framework. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with 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 directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 9.

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.

BL Broadgate Fragment 3 Limited

**DIRECTORS' REPORT (CONTINUED)
for the year ended 31 March 2017**

Audit Exemption taken for the year ended 31 March 2017

The company is exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of Section 479A of that Act, as disclosed on page 143 of The British Land Company PLC Annual Report and Accounts 2017. The ultimate holding company and controlling party is The British Land Company PLC.

This report was approved by the Board on 29/09/17 and signed by the order of the board by:

Director



T.A. ROBERTS

BL Broadgate Fragment 3 Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2017

	Note	Year ended 31 March 2017 £	15 Month period ended 31 March 2016 £
Dividends receivable		11,415,789	5,505,156
Profit on ordinary activities before taxation	2	11,415,789	5,505,156
Tax on profit on ordinary activities	4	-	-
Profit for the financial year/period		11,415,789	5,505,156

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

BL Broadgate Fragment 3 Limited

**STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2017**

	Year ended 31 March 2017 £	15 Month period ended 31 March 2016 £
Profit for the financial year/period	11,415,789	5,505,156
Total comprehensive income for the year/period	11,415,789	5,505,156

BL Broadgate Fragment 3 Limited

BALANCE SHEET
as at 31 March 2017

	Note	2017 £	2016 £
Current assets			
Debtors	5	10	10
Net assets		<u>10</u>	<u>10</u>
Capital and reserves			
Called up share capital	6	10	10
Profit and loss account		-	-
Total equity		<u>10</u>	<u>10</u>


For the year ending 31 March 2017 the company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of BL Broadgate Fragment 3 Limited, company number 09400411, on pages 5 to 11, were approved by the Board of Directors and authorised for issue on 29/09/17 and signed on its behalf by:

Director


T. A. ROBERTS

BL Broadgate Fragment 3 Limited

**STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2017**

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 21 January 2015	-	-	-
Profit for the financial period	-	5,505,156	5,505,156
Total comprehensive income for the period	-	5,505,156	5,505,156
Share issues	10	-	10
Dividends payable in period	-	(5,505,156)	(5,505,156)
Balance at 31 March 2016	10	-	10
Profit for the financial year	-	11,415,789	11,415,789
Total comprehensive income for the year	-	11,415,789	11,415,789
Dividends payable in year	-	(11,415,789)	(11,415,789)
Balance at 31 March 2017	10	-	10

BL Broadgate Fragment 3 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 all been applied consistently throughout the current year and prior period.

Basis of preparation

The company is incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is York House, 45 Seymour Street, London, W1H 7LX.

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, because it is included in the group accounts of The British Land Company PLC.

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

- (a) The requirements of IAS 1 to provide a Balance Sheet at the beginning of the year in the event of a prior year adjustment;
- (b) The requirements of IAS 1 to provide a Statement of Cash flows for the year;
- (c) The requirements of IAS 1 to provide a statement of compliance with IFRS;
- (d) The requirements of IAS 1 to disclose information on the management of capital;
- (e) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose new IFRSs that have been issued but are not yet effective;
- (f) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (g) The requirements of paragraph 17 of IAS 24 Related Party Disclosures to disclose key management personnel compensation;
- (h) The requirements of IFRS 7 to disclose financial instruments; and
- (i) The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement to disclose information of fair value valuation techniques and inputs.

Disclosure exemptions for subsidiaries are permitted where the relevant disclosure requirements are met in the consolidated financial statements. Where required, equivalent disclosures are given in the group accounts of The British Land Company PLC. The group accounts of The British Land Company PLC are available to the public and can be obtained as set out in note 10.

Going concern

The directors consider that the company has adequate resources to continue trading for the foreseeable future with no external borrowings 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 manage its business risks successfully in the current economic climate. Accordingly, they believe the going concern basis is an appropriate one.

Significant judgements and sources of estimation uncertainty

There are no such relevant judgements or estimates.

**NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 March 2017**

1. Accounting policies (continued)

Taxation

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

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

Shares in group undertakings

Shares in group undertakings, including dividends received from group subsidiaries, are recognised in the profit and loss account in the period to which they relate.

2. Profit on ordinary activities before taxation

Auditors' remuneration

No non-audit fees were paid to group auditors during the year (2016: £nil), in respect of this company.

3. Staff numbers and costs

No director received any remuneration for services to the company in the year. The remuneration of the directors was 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 (2016: nil).

4. Tax on profit on ordinary activities

	Year ended 31 March 2017 £	15 Month period ended 31 March 2016 £
Current tax		
UK corporation tax	-	-
Total current taxation charge	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax charge	-	-
Total taxation charge	-	-
Tax reconciliation		
Profit on ordinary activities before taxation	11,415,789	5,505,156
Tax on profit on ordinary activities at UK corporation tax rate of 20% (2016: 20%)	2,283,158	1,101,031
Effects of: Income not taxable for tax purposes	(2,283,158)	(1,101,031)
Total tax expense	-	-

Reductions to the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) were substantively enacted on 26 October 2015. A further reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of deferred tax at the Balance Sheet date, where relevant.

BL Broadgate Fragment 3 Limited
NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 March 2017

5. Debtors

	2017 £	2016 £
Current debtors (due within one year)		
Amounts owed by group companies - current accounts	10	10
	<u>10</u>	<u>10</u>

Amounts due from group companies are repayable on demand. There is no interest charged on these balances.

6. Called up share capital

	2017 £	2016 £
Issued share capital - allotted, called up and fully paid		
Ordinary Shares of £1 each		
Balance at start of year/ period	10	-
Allotted shares: nil shares (2016: 10 shares)	-	10
	<u>10</u>	<u>10</u>
Total issued share capital	<u>10</u>	<u>10</u>

7. Capital commitments

The company had capital commitments contracted as at 31 March 2017 of £nil (2016: £nil).

8. Contingent liabilities

The company has no contingent liabilities at the year end.

9. Subsequent events

There have been no significant events since the year end.

10. Immediate parent and ultimate holding company

The immediate parent company is BL Bluebutton 2014 Limited.

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