

Registration number: 05316365

Broadgate Financing PLC

Annual Report and Financial Statements

for the Year Ended 31 March 2024

Broadgate Financing PLC

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Broadgate Financing PLC

Strategic Report for the Year Ended 31 March 2024

The directors present their Strategic Report for the year ended 31 March 2024.

Business review and principal activities

Broadgate Financing PLC ("the Company") is a wholly owned subsidiary of Broadgate Property Holdings Limited and operates as a constituent of 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 2023 Limited, a wholly owned subsidiary of The British Land Company PLC.

The Company's principal activity is to provide funding to fellow subsidiaries within the Group.

As shown in the Company's Profit and Loss Account on page 11, the Company has no turnover and this has remained consistent with the prior year. Profit before taxation is £201,629 compared to a profit before taxation of £5,507 in the prior year. The increase is due to interest earned on short term deposits.

Dividends of £nil (2023: £nil) were paid in the year.

The Balance Sheet on page 13 shows that the Company's financial position at the year-end has, in net asset terms, increased compared to the prior year.

Any expected future developments of the Company are determined by the strategy of the Group.

For more information also see Broadgate REIT Limited 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.

Key performance indicators

The directors measure how the Group, of which this Company is a member, is delivering its strategy through the key performance indicators.

The directors consider the primary measure of performance of the Group to be net asset value.

Principal risks and uncertainties

This Company is part of a large property investment group, headed by Broadgate REIT Limited (the "Group") . As such, the fundamental underlying risks for this Company are those of the property Group. The key risks of this Group are the performance of the properties and tenant default and credit risk of counterparties for holding cash deposits. These risks are mitigated by preference for tenants with strong covenants on long leases and by using highly rated Financial Institutions for placing cash deposits.

These risks have high visibility to senior executives and are considered and managed on a continuous basis. Executives 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.

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. In order to manage this risk, management regularly monitors the credit rating of credit counterparties and monitors all amounts that are owed to the Company.

Liquidity risk is the risk that the entity will encounter difficulty in raising funds to meet commitments associated with financial liabilities. This risk is managed through day to day monitoring of future cash flow requirements to ensure that the Company has enough resources to repay all future liabilities as they fall due.

Broadgate Financing PLC


Strategic Report for the Year Ended 31 March 2024 (continued)

Principal risks and uncertainties (continued)

The macroeconomic and geopolitical challenges from the previous period have persisted into the current financial year, inevitably affecting the business through increased interest rates, heightened inflation, and resulting pressures on property valuations. Encouragingly, the economy has been more resilient than expected alongside recent declines in inflation and resulting expectations for lower interest rates, albeit the macroeconomic outlook remains uncertain. The directors have maintained oversight over our response to these external challenges, implementing measures to mitigate the impact on the business.

21.05.2024

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

DocuSigned by:

023512BDC4604A4,.....
H Shah
Director

Broadgate Financing PLC

Directors' Report for the Year Ended 31 March 2024

The directors present their report and the audited financial statements for the year ended 31 March 2024.

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:

H Shah

D Richards

D Lockyer

Directors' responsibilities statement

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

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, 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 the financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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;
- 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 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 also 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the 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.

Broadgate Financing PLC

Directors' Report for the Year Ended 31 March 2024 (continued)

Environmental matters

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Company's activities. The Company operates in accordance with best practice policies and initiatives designed to minimise the Company's impact on the environment including the safe disposal of manufacturing waste, recycling and reducing energy consumption.

In preparing the financial statements, the impact of climate change has been considered. Whilst noting the Group's commitment to sustainability, there has not been a material impact on the financial reporting judgements and estimates arising from our considerations, which include physical climate and transitional risk assessments conducted by the Group.

Going Concern

The Directors have reviewed the Company's forecast working capital and cash flow requirements and in addition to making enquiries and examining areas which could give risk to financial exposure. The Directors have an expectation that the forecast cash flows on the secured properties will be sufficient to cover debt service on the bonds. The Company has access to the drawn term loan of £52,080,000 (2023: £52,080,000) to meet certain shortfalls on bond service, if there was a shortfall from the rent received. Therefore, the Directors have a reasonable expectation that the Company has adequate resources to continue its operations for at least twelve months after the signing of the these financial statements and as a result they continue to adopt the going concern basis in preparing the accounts.

Subsequent Events

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

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

In line with applicable legislation, the Group was required to conduct an external audit tender for the year ending 31 March 2025 following 10 years of PricewaterhouseCooper's (PwC) appointment, with a minimum change requirement of at least a rotated partner. To enable the opportunity for shadowing through the external audit for the year ended March 2024, an appointment was planned for January 2024.

Following the conclusion of the competitive tender, the Directors resolved to reappoint PwC as external auditor of the Company.

21.05.2024

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

DocuSigned by:

.....923512BDC4694A4.....
H Shah
Director

Independent auditors' report to the members of Broadgate Financing PLC

Report on the audit of the financial statements

Opinion

In our opinion, Broadgate Financing PLC's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 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, including 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 2024; the Profit and Loss Account, the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the directors.

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, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 5, we have provided no non-audit services to the company in the period under audit.

Our audit approach

Overview

Audit scope

- We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole.

Key audit matters

- Accounting for loans and borrowings

Materiality

- Overall materiality: £13,097,000 (2023: £13,121,000) based on 1% of total assets.
- Performance materiality: £9,822,750 (2023: £9,841,000).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matter below is consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p><i>Accounting for loans and borrowings</i></p> <p>Refer to the Notes to the financial statements - Note 11 (Loans and borrowings). The company has debt totalling £1,112 million (2023: £1,148 million).</p> <p>The only business activity of the company is to provide funding to fellow subsidiaries of the Broadgate group, and therefore the loans and borrowings are considered an area of focus.</p>	<p>We obtained and reviewed each loan contract to understand the terms and conditions.</p> <p>We have either agreed the carrying value of debt to third party confirmations or performed alternative procedures. We traced payments to bank statements to confirm repayments made in the year on the bonds and term loans (where applicable). Where debt covenants were identified, we re-performed management's calculations to verify compliance with the loan contracts.</p> <p>From our work on the terms of the debt arrangements in place as at 31 March 2024, we consider the loans and borrowings to be accounted for appropriately.</p>

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The impact of climate risk on our audit

In planning our audit, we made enquiries with management to understand the extent of the potential impact of climate change risk on the financial statements. Our evaluation of this conclusion included challenging key judgements and estimates in areas where we considered that there was greatest potential for climate change impact. We also considered the consistency of the disclosures in relation to climate change made within the Annual Report, the financial statements and the knowledge obtained from our audit.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<i>Overall company materiality</i>	£13,097,000 (2023: £13,121,000).
<i>How we determined it</i>	1% of total assets
<i>Rationale for benchmark applied</i>	We believe that total assets are the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £9,822,750 (2023: £9,841,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the directors that we would report to them misstatements identified during our audit above £654,850 (2023: £656,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Corroborated key assumptions (e.g. liquidity forecasts and financing arrangements) to underlying documentation and ensured this was consistent with our audit work in these areas;
- Understood and assessed the appropriateness of the key assumptions used both in the base case and in the severe but plausible downside scenario, including assessing whether we considered the downside sensitivities to be appropriately severe;
- Considered management's forecasting accuracy by comparing how the forecasts made at the half year compare to the actual performance in the second half of the year;
- Tested the integrity of the underlying formulas and calculations within the going concern and cash flow models;
- Considered the appropriateness of the mitigating actions available to management in the event of the downside scenario materialising. Specifically, we focused on whether these actions are within the company's control and are achievable; and
- Reviewed the disclosures provided relating to the going concern basis of preparation and found that these provided an explanation of the directors' assessment that was consistent with the evidence we obtained.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2024 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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Listing Rules, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries. Audit procedures performed by the engagement team included:

- Discussions with management and internal audit, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, and review of the reports made by management and internal audit;
- Understanding of management's internal controls designed to prevent and detect irregularities, risk-based monitoring of customer processes;
- Reviewing the company's litigation register in so far as it related to non-compliance with laws and regulations and fraud;
- Reviewing relevant meeting minutes;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, post close entries and posted by unexpected users.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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.

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 obtained 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.

Appointment

Following the recommendation of the directors, we were appointed by the members on 31 March 2015 to audit the financial statements for the year ended 31 March 2015 and subsequent financial periods. The period of total uninterrupted engagement is 10 years, covering the years ended 31 March 2015 to 31 March 2024.

Other matter

The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R - 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

A handwritten signature in black ink, appearing to read 'Sandra Dowling'.

Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
21 May 2024

Broadgate Financing PLC**Profit and Loss Account for the Year Ended 31 March 2024**

	Note	2024 £	2023 £
Turnover		-	-
Administrative expenses		<u>(1,000)</u>	<u>(1,000)</u>
Operating loss		(1,000)	(1,000)
Loss before interest and tax		(1,000)	(1,000)
Interest receivable and similar income	3	57,153,185	55,076,714
Interest payable and similar expenses	4	<u>(56,950,556)</u>	<u>(55,070,207)</u>
Profit before tax		201,629	5,507
Tax on profit	7	<u>(50,407)</u>	<u>(1,046)</u>
Profit for the financial year		<u>151,222</u>	<u>4,461</u>

Turnover and results were derived from continuing operations within the United Kingdom. The Company has only one class of business, that of providing funding to fellow subsidiaries within the Group.

The notes on pages 15 to 23 form an integral part of these financial statements.

Broadgate Financing PLC**Statement of Comprehensive Income for the Year Ended 31 March 2024**

	2024 £	2023 £
Profit for the financial year	<u>151,222</u>	<u>4,461</u>
Total comprehensive income for the year	<u><u>151,222</u></u>	<u><u>4,461</u></u>

The notes on pages 15 to 23 form an integral part of these financial statements.

Broadgate Financing PLC

(Registration number: 05316365)

Balance Sheet as at 31 March 2024

	Note	31 March 2024 £	31 March 2023 £
Non-current assets			
Intercompany non-current debtors	8	<u>1,060,074,053</u>	<u>1,095,810,106</u>
		<u>1,060,074,053</u>	<u>1,095,810,106</u>
Current assets			
Debtors	8	<u>193,687,295</u>	160,311,809
Cash at bank and in hand	9	<u>56,038,197</u>	<u>56,037,436</u>
		<u>249,725,492</u>	216,349,245
Creditors: Amounts falling due within one year			
Creditors due within one year	10	<u>(197,051,136)</u>	<u>(163,826,111)</u>
		<u>1,112,748,409</u>	1,148,333,240
Total assets less current liabilities			
Creditors: Amounts falling due after more than one year			
Loans and borrowings	11	<u>(1,112,154,103)</u>	<u>(1,147,890,156)</u>
		<u>594,306</u>	<u>443,084</u>
Net assets			
Capital and reserves			
Called up share capital	12	<u>12,500</u>	12,500
Profit and loss account		<u>581,806</u>	<u>430,584</u>
		<u>594,306</u>	<u>443,084</u>
Total shareholders' funds			

21.05.2024

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

DocuSigned by:



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H Shah
Director

The notes on pages 15 to 23 form an integral part of these financial statements.

Broadgate Financing PLC**Statement of Changes in Equity for the Year Ended 31 March 2024**

	Share capital £	Profit and loss account £	Total £
Balance at 1 April 2022	12,500	426,123	438,623
Profit for the financial year	-	4,461	4,461
Total comprehensive income for the year	-	4,461	4,461
Balance at 31 March 2023	<u>12,500</u>	<u>430,584</u>	<u>443,084</u>
Balance at 1 April 2023	12,500	430,584	443,084
Profit for the financial year	-	151,222	151,222
Total comprehensive income for the year	-	151,222	151,222
Balance at 31 March 2024	<u>12,500</u>	<u>581,806</u>	<u>594,306</u>

The notes on pages 15 to 23 form an integral part of these financial statements.

Broadgate Financing PLC

Notes to the Financial Statements for the Year Ended 31 March 2024

1 General information

The Company is a public limited company limited by share capital and 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.

The directors do not consider there to be any significant accounting judgements or key sources of estimation uncertainty in the preparation of these financial statements.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 101 "Reduced Disclosure Framework", 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, modified to include the revaluation of derivative financial instruments. 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.

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;

Broadgate Financing PLC

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

2 Accounting policies (continued)

- (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 financial statements of Broadgate REIT Limited. The Group financial statements of Broadgate REIT Limited are available to the public and can be obtained as set out in note 17.

Adoption status of relevant new financial reporting standards and interpretations

A number of new standards and amendments to standards and interpretations have been issued for the current accounting period. The Company has applied the following new standards and amendments to the financial statements the first time for year ended 31 March 2024: IFRS 17 'Insurance Contracts', amendments to IAS 8 impacting the definition of accounting estimates, Pillar Two model rules and associated IAS 12 amendments, amendments to IAS 12 impacting deferred tax related to assets and liabilities arising from a single transaction, and amendments to IAS 1 and IFRS Practice Statement 2 impacting the disclosure of accounting policies.

The new standards and amendments listed above did not have any impact on amounts recognised in prior years and are not expected to materially affect current and future years.

The following standards and interpretations which have been issued but are not yet effective include IAS 1 'Presentation of Financial Statements' on the classification of liabilities and non-current liabilities with covenants, IFRS 16 'Leases' on sale and leaseback arrangements, and limited scope amendments to both IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' in respect of sale or contribution of assets between an investor and its associates or joint ventures. These amendments to standards that are not yet effective are not expected to have a material impact on the Group's results.

Going Concern

The Directors have reviewed the Company's forecast working capital and cash flow requirements and in addition to making enquiries and examining areas which could give risk to financial exposure. The Directors have an expectation that the forecast cash flows on the secured properties will be sufficient to cover debt service on the bonds. The Company has access to the drawn down term loan of £52,080,000 (2023: £52,080,000) to meet certain shortfalls on bond service, if there was a shortfall from the rent received within the Group. Therefore, the Directors have a reasonable expectation that the Company has adequate resources to continue its operations for at least twelve months after the signing of these financial statements and as a result they continue to adopt the going concern basis in preparing the accounts.

Tax

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.

Broadgate Financing PLC

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

2 Accounting policies (continued)

Financial assets and liabilities

Trade debtors and creditors are initially recognised at fair value and subsequently measured at amortised cost and discounted as appropriate. On initial recognition the Company calculates the expected credit loss for debtors based on lifetime expected credit losses under the IFRS 9 simplified approach.

Loans and receivables classified as amortised cost are measured using the effective interest method, less any impairment. Interest is recognised by applying the effective interest rate.

Debt instruments are stated at their net proceeds on issue. Finance charges including premia payable on settlement or redemption and direct issue costs are spread over the period to redemption, using the effective interest method. Exceptional finance charges incurred due to early redemption (including premia) are recognised in the Income Statement when they occur.

Cash equivalents are limited to instruments with a maturity of less than three months.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Interest payable and receivable

Interest payable and receivable is recognised as incurred under the accruals concept. Interest payable includes financing charges which are spread over the period to redemption, using the effective interest method. Commitment fees on non-utilised facilities are also included within interest payable.

Premiums payable and receivable on early redemption are recognised as finance charges and income when incurred.

3 Interest receivable and similar income

	2024 £	2023 £
Interest receivable on amounts due from related parties	54,356,686	53,840,134
Interest income on bank deposits	2,796,499	1,236,580
	<u>57,153,185</u>	<u>55,076,714</u>

4 Interest payable and similar expenses

	2024 £	2023 £
Interest payable on bonds and borrowings	56,950,556	55,070,207
	<u>56,950,556</u>	<u>55,070,207</u>

Broadgate Financing PLC**Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)****5 Auditors' remuneration**

A notional charge of £17,160 (2023: £16,157) is deemed payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements for the year ended 31 March 2024.

Fees of £8,923 (2023: £9,156) were paid to PricewaterhouseCoopers LLP in relation to audit related assurance services.

Actual amounts payable to PricewaterhouseCoopers LLP are paid by Bluebutton Properties UK Limited. Bluebutton Properties UK Limited is a holding company within the Group.

6 Staff costs

No director received any remuneration (2023: nil) 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.

Average number of employees, excluding directors, of the Company during the year was nil (2023: nil).

7 Tax on profit

	2024	2023
	£	£
Current taxation		
UK corporation tax	<u>50,407</u>	<u>1,046</u>
Tax charge in the profit and loss account	<u><u>50,407</u></u>	<u><u>1,046</u></u>
	2024	2023
	£	£
Tax reconciliation		
Profit before tax	201,629	5,507
Tax on profit at UK corporation tax rate of 25% (2023 : 19%)	<u>50,407</u>	<u>1,046</u>
Income tax expense	<u><u>(50,407)</u></u>	<u><u>(1,046)</u></u>

Broadgate Financing PLC**Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)****8 Debtors**

	31 March 2024 £	31 March 2023 £
Amounts due from related parties	180,395,476	147,360,815
Accrued income	13,278,634	12,937,806
Other debtors	11,337	11,340
Corporation tax asset	1,848	1,848
Total current debtors	<u>193,687,295</u>	<u>160,311,809</u>

	31 March 2024 £	31 March 2023 £
Debtors due after more than one year		
Intercompany non-current debtors	<u>1,060,074,053</u>	<u>1,095,810,106</u>
	<u>1,060,074,053</u>	<u>1,095,810,106</u>

The intercompany loans to Broadgate Funding (2005) Ltd are being repaid from April 2005 to July 2033, with the average interest rate of these intercompany loans being 4.93% per annum (31 March 2023: 4.93%). As at 31 March 2024, the intercompany loans to Broadgate Funding (2005) Ltd were £1,096m (2023: £1,099m). There is no interest charged on the remainder of amounts owed by related parties.

9 Cash at bank and in hand

	31 March 2024 £	31 March 2023 £
Cash at bank	132,197	131,436
Short-term deposits	<u>55,906,000</u>	<u>55,906,000</u>
	<u>56,038,197</u>	<u>56,037,436</u>

Short term deposits mature within 3 months and therefore meet the definition of cash and cash equivalents.

Broadgate Financing PLC**Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)****10 Creditors due within one year**

	31 March 2024 £	31 March 2023 £
Accruals	13,409,496	13,083,832
Amounts due to related parties	147,857,118	147,857,118
Debenture Loans	35,716,810	2,866,810
Other creditors	67,712	18,351
	<u>197,051,136</u>	<u>163,826,111</u>

Amounts due to related parties relate to amounts owed to group companies and are repayable on demand. There is no interest charges on these balances.

11 Loans and borrowings

	31 March 2024 £	31 March 2023 £
Loans		
Loans due 1 to 2 years	46,507,243	35,716,810
Loans due 2 to 5 years	140,000,000	140,000,000
Loans due after 5 years	925,646,860	972,173,346
	<u>1,112,154,103</u>	<u>1,147,890,156</u>

Amounts due after five years includes £52,080,000 (2023: £52,080,000) in relation to the non-current revolving liquidity facility with NatWest Markets PLC. The cash received is held on deposit.

Details of the terms and conditions of the bonds are available at the British Land website.

Broadgate Financing PLC**Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)****11 Loans and borrowings (continued)**

	31 March 2024	31 March 2023
	£	£
Borrowings repayment analysis		
Borrowing repayments due within one year	35,716,810	2,866,810
Borrowing repayments due within 1-2 years	46,666,380	35,716,810
Borrowing repayments due within 2-5 years	140,000,000	140,000,000
	222,383,190	178,583,620
After 5 years	925,588,824	972,173,346
Total borrowings	1,147,972,014	1,150,756,966
Gross debt	1,147,972,014	1,150,756,966

	31 March 2024	31 March 2023
	£	£
Borrowings repayment analysis		
Class A3 4.851% bonds due 2033	143,900,050	143,900,050
Class A4 4.821% bonds due 2036	400,000,000	400,000,000
Class B 4.999% bonds due 2033	365,000,000	365,000,000
Class C2 5.098% bonds due 2035	187,050,000	189,916,810
Total secured bond borrowings	1,095,950,050	1,098,816,860
Other borrowings		
Term loan	52,080,000	52,080,000
Total secured borrowings	1,148,030,050	1,150,896,860

Broadgate Financing PLC

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

11 Loans and borrowings (continued)

At 31 March 2024, 100% (2023: 100%) of the bonds were fixed. The bonds amortise from 2005 and are expected to be repaid by 2033. Legal repayment is required by 2036. The term loan matures on the date when all the bonds have been redeemed in full. The bonds are secured on properties of the Group valued at £2,711m (2023: £2,916m) and cash of £nil (2023 £nil).

At 31 March 2024 the Company was financed by £1,096m bonds (2023: £1,099m). The weighted average interest rate of the bonds is 4.93% (2023: 4.93%). The weighted average maturity of the bonds is 6.9 years (2023: 7.9 years).

The fair values of the bonds have been established by obtaining quoted market prices from brokers.

Except as detailed below, the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements are approximately equal to their fair values:

	31 March 2024	31 March 2023
	£	£
Secured bonds at fair value	<u>1,069,447,965</u>	<u>1,067,805,334</u>

Risk Management

Capital risk management:

The Company finances its operations by a mixture of equity and public debt issues to support the property strategy of the Group.

The approach adopted has been to engage in debt financing with long term maturity dates and as such the bonds issued are due from 2005 and are expected to be repaid by 2033. Legal repayment is required by 2036. Including debt amortisation 81% (2023: 84%) of the total company borrowings is due for payment after 5 years.

The Company aims to ensure that potential debt providers understand the business and a transparent approach is adopted with lenders so they can understand the level of their exposure within the overall context of the Group.

Details of bond covenants are outlined in the bonds publicly available Offering Circular.

Liquidity risk:

Liquidity risk is the risk that the entity will encounter difficulty in raising funds to meet commitments associated with financial liabilities. This risk is managed through day to day monitoring of future cash flow requirements to ensure that the company has enough resources to repay all future amounts outstanding.

12 Called up share capital

Allotted, called up and fully paid shares

	No.	31 March 2024 £	No.	31 March 2023 £
Ordinary shares of £0.25 each	50,000	12,500	50,000	12,500
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Broadgate Financing PLC

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

13 Capital commitments

The total amount contracted for but not provided in the financial statements was £nil (2023: £nil).

14 Contingent liabilities

The company has no contingent liabilities as at 31 March 2024 of £nil (2023: £nil).

15 Related party transactions

The company has taken advantage of the exemption granted to wholly owned subsidiaries not to disclose transactions with group companies under the provisions of FRS 101.

16 Subsequent events

There have been no subsequent events since 31 March 2024.

17 Parent and ultimate parent undertaking

The immediate parent company is Broadgate Property Holdings Limited.

The ultimate parent company is Broadgate REIT Limited. Broadgate REIT Limited operates as a joint venture between Euro Bluebell LLP, an affiliate of GIC, Singapore's sovereign wealth fund, and BL Bluebutton 2023 Limited, a wholly owned subsidiary of The British Land Company PLC.

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