
Broadgate Financing PLC

Annual Report and Accounts

Year ended 31 March 2010

Company number: 5316365

Broadgate Financing PLC

REPORT OF THE DIRECTORS for the year ended 31 March 2010

The directors submit their report and financial statements for the year ended 31 March 2010.

Principal activities

The company is a wholly owned subsidiary of Broadgate Property Holdings Limited, whose ultimate holding company is Bluebutton Properties Limited (Jersey Registered). Bluebutton Properties Limited operates as a joint venture between The British Land Company PLC and BRE/Brick Limited. The joint venture was formed on 3 November 2009. The company's principal activity is to provide funding to fellow subsidiaries of Bluebutton Properties Limited.

Business review

As shown in the company's profit and loss account on page 5, the company's profit before tax has increased significantly over the prior year, however, external interest payable and Group interest receivable have remained consistent with prior year.

Dividends of £nil (2009: £nil) were paid in the year. Dividends paid are shown in note 12.

The balance sheet on page 7 shows that the company's financial position at the year end is, in net liability terms, a decrease from the prior year.

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.

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

Risk management

This company is part of a large property investment group. As such, the fundamental underlying risks for this company are those of the property group as discussed below.

The company generates returns to shareholders through long-term investment decisions requiring the evaluation of opportunities arising in the following areas:

- demand for space from occupiers against available supply;
- differential pricing for premium locations and buildings;
- alternative use for buildings;
- demand for returns from investors in property, compared to other asset classes;
- economic cycles, including their impact on tenant covenant quality, interest rates, inflation and property values;
- price differentials for capital to finance the business;
- legislative changes, including planning consents and taxation; and
- construction pricing and programming.

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

The company'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 company finances its operations by a mixture of equity and public debt issues. The company borrows in Sterling at both fixed and floating rates of interest, using interest rate derivatives to hedge the interest rate risk on variable rate debt.

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.

Broadgate Financing PLC

REPORT OF THE DIRECTORS for the year ended 31 March 2010

Environment

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

Directors

The directors who served during the year were:

G C Roberts
A Braine
L M Bell
P C Clarke

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, 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 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.

We confirm to the best of our knowledge:

1. the financial statements, prepared in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and profit or loss of the company; and
2. the management report, which is incorporated into the directors' report, includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties it faces

Payments policy

In the absence of dispute, amounts due to trade and other suppliers are settled as expeditiously as possible within their terms of payment. Suppliers' days outstanding at 31 March 2010 were 43.

Broadgate Financing PLC

**REPORT OF THE DIRECTORS
for the year ended 31 March 2010**

Disclosure of information to Auditors

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

A resolution to reappoint Deloitte LLP as the company's auditors will be proposed at the Annual General Meeting.

This report was approved by the Board on 28 July 2010



N Ekpo
Secretary

Broadgate Financing PLC

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
Broadgate Financing PLC
for the year ended 31 March 2010**

We have audited the financial statements of Broadgate Financing PLC for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

AJ, Swarbrick

Andrew Swarbrick BA FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Cambridge, UK

25 July 2010

Broadgate Financing PLC

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2010

	Note	2010 £	2009 £
Administrative expenses		(1,000)	(1,000)
Operating loss		<u>(1,000)</u>	<u>(1,000)</u>
Loss on ordinary activities before interest		<u>(1,000)</u>	<u>(1,000)</u>
Interest receivable			
Group		99,392,963	101,580,330
External - other		45,823	744,034
Interest payable			
Group		(15,790)	(744,034)
External - bank overdrafts and loans		(99,383,065)	(101,570,206)
Profit on ordinary activities before taxation	2	<u>38,931</u>	<u>9,124</u>
Taxation	4	(10,901)	
Profit for the financial year		<u><u>28,030</u></u>	<u><u>9,124</u></u>

Turnover and results are derived from continuing operations within the United Kingdom. The company has only one significant class of business, that of to provide funding to fellow subsidiaries of Bluebutton Properties Limited in the United Kingdom.

Broadgate Financing PLC

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 March 2010**

	Note	2010 £	2009 £
Profit on ordinary activities after taxation		28,030	9,124
Derivative valuation movements on net investments	12	5,381,341	(55,248,705)
Deferred tax movement on interest rate derivatives	10, 12	13,432,790	
Total recognised gains and losses relating to the financial year		<u>18,842,161</u>	<u>(55,239,581)</u>

Broadgate Financing PLC**BALANCE SHEET
as at 31 March 2010**

	Note	2010 £	£	2009 £	£
Fixed assets					
Investment properties	5				
Investments	6				
Current assets					
Debtors - due within one year	7	68,515,860		68,691,339	
Debtors - due after more than one year	7	1,918,818,318		1,951,064,396	
Cash and deposits		15,121,566		15,110,178	
		<u>2,002,455,744</u>		<u>2,034,865,913</u>	
Creditors due within one year	8	(131,243,152)		(136,816,614)	
Net current assets		1,871,212,592		1,898,049,299	
Total assets less current liabilities		<u>1,871,212,592</u>		<u>1,898,049,299</u>	
Creditors due after one year	9	(1,905,385,528)		(1,951,064,396)	
Net liabilities		<u>(34,172,936)</u>		<u>(53,015,097)</u>	
Capital and reserves					
Called up share capital	11	12,500		12,500	
Share premium	12				
Revaluation reserve	12				
Hedging and translation reserve	12	(34,541,460)		(53,355,591)	
Profit and loss account	12	356,024		327,994	
Shareholders' deficit	12	<u>(34,172,936)</u>		<u>(53,015,097)</u>	

The financial statements of Broadgate Financing PLC, company number 5316365, were approved by the Board of Directors on 28 July 2010 and signed on its behalf by:



Director

Broadgate Financing PLC

Notes to the accounts for the year ended 31 March 2010

1. Accounting policies

The principal accounting policies adopted by the directors are summarised below. They have been applied consistently throughout the current and previous year.

These financial statements are designed to cover a wide variety of companies and circumstances. As a result some notes or some entries in the primary statements or the notes may not be relevant for this company and so may be left blank intentionally.

Accounting basis

The financial statements are prepared in accordance with applicable United Kingdom law and Accounting Standards and under the historical cost convention as modified by the revaluation of investment properties and other fixed asset investments.

Basis of Preparation

Having reviewed the company's forecast working capital and cash flow requirements, in addition to making enquiries and examining areas which could give risk to financial exposure, the directors have a reasonable expectation that the company has adequate resources to continue its operations for the foreseeable future. As a result they continue to adopt the going concern basis in preparing the accounts.

Financial assets

The company classified all financial assets, with the exception of derivative financial instruments into the category Loans and Debtors. Loans and Debtors are initially measured at fair value including any transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

Cash flow statement

The company is exempt under FRS 1 (Revised) from preparing a cashflow statement.

Properties

Properties are externally valued on an open market basis at the balance sheet date. Investment and development properties are recorded at valuation. Any surplus or deficit arising is transferred to revaluation reserve, unless a deficit is expected to be permanent, in which case it is charged to the profit and loss account. Disposals are recognised on completion: profit on disposal is determined as the difference between sales proceeds and the carrying amount of the asset at the commencement of the accounting period plus additions in the period.

In accordance with Statement of Standard Accounting Practice 19, no depreciation is provided in respect of investment property. The directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view. The financial effect of the departure from these rules cannot reasonably be quantified as depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

A property ceases to be treated as a development on practical completion.

Financial liabilities

Debt instruments are stated at their net proceeds on issue. Finance charges including premiums payable on settlement or redemption and direct issue costs are spread over the period to redemption, using the effective interest method.

Derivative financial instruments

As defined by FRS 26, derivative financial instruments are measured at fair value in the balance sheet. Changes in the fair value of derivatives that are designated and qualify as effective cash flow hedges are recognised directly in the hedging reserve. Any ineffective portion is recognised in the profit and loss account.

Broadgate Financing PLC

Notes to the accounts for the year ended 31 March 2010

1. Accounting policies (continued)

Investments

Fixed asset investments are stated at cost less provision for impairment.

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). In particular the group (including this company) became a REIT on 1 January 2007 where income and gains on qualifying assets are exempt from taxation. On 3 November 2009, the sale of 50% of the group to a non-REIT entity resulted in now only 50% of the income and gains on qualifying assets being exempt from taxation.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Net rental income

Rental income is recognised on an accruals basis. A rent adjustment based on open market estimated rental value is recognised from the rent review date in relation to unsettled rent reviews. Where a rent free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the next rent review date. Rental income from fixed and minimum guaranteed rent reviews is recognised on a straight-line basis over the shorter of the entire lease term or the period to the first break option. Where such rental income is recognised ahead of the related cash flow, an adjustment is made to ensure the carrying value of the related property including the accrued rent does not exceed the external valuation.

Initial direct costs incurred in negotiating and arranging a new lease are amortised on a straight-line basis over the period from the date of lease commencement to the next rent review date.

Where a lease incentive payment, including surrender premiums paid, does not enhance the value of a property, it is amortised on a straight-line basis over the period from the date of lease commencement to the next rent review date. Upon receipt of a surrender premium for the early determination of a lease, the profit, net of dilapidations and non-recoverable outgoings relating to the lease concerned is immediately reflected in income.

Broadgate Financing PLC

**Notes to the accounts
for the year ended 31 March 2010**

2. Profit on ordinary activities before taxation

Auditors' remuneration

A notional charge of £1,200 (2009: £1,200) per company is deemed payable to Deloitte LLP in respect of the audit of the financial statements. Actual amounts payable to Deloitte LLP are paid at group level by Bluebutton Properties UK Limited.

3. Staff costs

No director received any remuneration for services to the company in either year.

Average number of employees, excluding directors, of the company during the year was nil (2009 - nil).

4. Taxation

	2010 £	2009 £
Current tax		
UK corporation tax	10,901	
Adjustments in respect of prior years		
Total current tax charge (credit)	<u>10,901</u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences		
Prior year items		
Total deferred tax charge (credit)	<u> </u>	<u> </u>
Total taxation charge (credit)	<u><u>10,901</u></u>	<u><u>-</u></u>
Tax reconciliation		
Profit on ordinary activities before taxation	<u>38,931</u>	<u>9,124</u>
Tax on profit on ordinary activities at UK corporation tax rate of 28% (2009: 28%)	10,901	2,555
Effects of:		
REIT conversion charge		
REIT exempt income and gains		
Capital allowances		
Tax losses and other timing differences		
(Income not taxable) expenses not deductible for tax purposes		
Transfer pricing adjustments		
Group relief (claimed) surrendered for nil consideration		(2,555)
Adjustments in respect of prior years		
Current tax charge (credit)	<u><u>10,901</u></u>	<u><u>-</u></u>

Included in the tax charge is a net charge of £nil (2009: £nil) attributable to property sales.

Broadgate Financing PLC

**Notes to the accounts
for the year ended 31 March 2010**

5. Investment properties

	Development £	Freehold £	Long leasehold £	Short leasehold £	Total £
At valuation					
1 April 2009					
Additions					
Disposals					
Group transfers - in					
Group transfers - out					
Revaluation surplus (deficit)					
31 March 2010	-	-	-	-	-
Analysis of cost and valuation					
31 March 2010					
Cost					
Revaluation					
Net book value	-	-	-	-	-
1 April 2009					
Cost					
Revaluation					
Net book value	-	-	-	-	-

Properties were valued as at 31 March 2010 by Knight Frank LLP on the basis of Market Value, in accordance with the Appraisal and Valuation Standards, sixth edition, published by The Royal Institution of Chartered Surveyors.

Broadgate Financing PLC

**Notes to the accounts
for the year ended 31 March 2010**

6. Investments

	Shares in subsidiaries £	Other investments £	Total £
At cost or directors' valuation			
1 April 2009			
Additions			
Disposals			
Group Transfers - in			
Group Transfers - out			
Provision written-back (written-down)			
Revaluation			
31 March 2010	<u> </u> <u> </u> -	<u> </u> <u> </u> -	<u> </u> <u> </u> -
Provision for impairment			
1 April 2009			
Provision written-back (written-down)			
Disposals			
31 March 2010	<u> </u> <u> </u> -	<u> </u> <u> </u> -	<u> </u> <u> </u> -
At cost or directors' valuation excluding provision for write-down			
31 March 2010	<u> </u> <u> </u> -	<u> </u> <u> </u> -	<u> </u> <u> </u> -
1 April 2009	<u> </u> <u> </u> -	<u> </u> <u> </u> -	<u> </u> <u> </u> -

Broadgate Financing PLC

**Notes to the accounts
for the year ended 31 March 2010**

7. Debtors

	2010	2009
	£	£
Current debtors (receivable within one year)		
Trade debtors		
Amounts owed by group companies - current account with Broadgate (Funding) 2005 Ltd	45,678,868	45,215,892
Amounts owed by associated companies - current accounts		
Corporation tax		
Other debtors		
Prepayments and accrued income	22,836,992	23,475,447
	<u>68,515,860</u>	<u>68,691,339</u>

Included in prepayments and accrued income is an amount of £nil (2009 : £nil), relating to lease incentives, and an amount of £nil (2009: £nil) relating to a fixed and guaranteed rent review debtor, which are amortised over the period to the next rent review which may be due after more than one year.

Long-term debtors (receivable after more than one year)

Deferred tax asset (see note 10)	13,432,790	
Amounts owed by group companies - Long term loans	1,905,385,528	1,951,064,396
	<u>1,918,818,318</u>	<u>1,951,064,396</u>

8. Creditors due within one year

	2010	2009
	£	£
Trade creditors		
Debtore loans (see note 9)	45,678,868	45,215,892
Interest rate derivative liabilities*	53,091,356	56,065,593
Amounts owed to group companies - current accounts	14,747,150	14,714,381
Amounts owed to associated companies - current accounts		
Corporation tax	10,901	126,643
Other taxation and social security		
Other creditors	5,000	4,000
Accruals and deferred income	17,709,877	20,690,105
	<u>131,243,152</u>	<u>136,816,614</u>

* Includes contracted cash flow with a maturity greater than one year at fair value.

Amounts owed to fellow group companies are repayable on demand. There is no interest charged on these balances.

Broadgate Financing PLC

Notes to the accounts for the year ended 31 March 2010

9. Creditors due after one year (including borrowings)

	2010	2009
	£	£
Debentures and loans		
due 1 to 2 years	46,169,728	45,678,868
due 2 to 5 years	141,946,219	139,499,860
due after 5 years	1,717,269,581	1,765,885,668
	1,905,385,528	1,951,064,396

Hedge accounting

The company uses interest rates swaps to hedge exposure to the variability in cash flows on floating rate debt. At 31 March 2010 the market value of these derivatives, which have been designated cash flow hedges under FRS 26, is a liability of £53.1m (2009: £56.1m). The valuation movement reflects the reduction in Sterling rates since the beginning of the year.

The Treasury Function

The company finances its operations by a mixture of equity and public debt issues. The company borrows in Sterling at both fixed and floating rates of interest, using interest rate derivatives to hedge the interest rate risk on variable rate debt.

Risk Management

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 all amounts that are owed to the company to ensure that amounts are paid in full and on time.

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.

The Company's activities expose it primarily to interest rate risk. The group uses interest rate swap contracts to hedge these exposures. The group does not use derivative financial instruments for speculative purposes.

The ineffectiveness recognised in the income statement on cash flow hedges in the year ended 31 March 2010 was £nil (2009 :£nil). The table below summarises variable rate debt hedged at 31 March 2010.

	2010	2009
	£	£
Outstanding:		
after one year	477,000,000	514,583,490
after two years	439,416,510	477,000,000
after five years	328,711,760	364,931,600

Borrowings repayment analysis

Borrowings are repayable as follows:

Within one year	45,678,868	45,215,892
1-2 years	46,169,728	45,678,868
2-5 years	141,946,219	139,499,860
	233,794,815	230,394,620
After 5 years	1,717,269,581	1,765,885,668
Total	1,951,064,396	1,996,280,288
Fair value of interest rate derivative liabilities	53,091,356	56,065,593
	2,004,155,752	2,052,345,881

Secured bonds on the assets of the Broadgate Property Holding Group

Class A1 Floating Rate Bonds due 2032 *	225,000,000	225,000,000
Class A2 4.949% Bonds due 2031	280,961,100	288,592,290
Class A3 4.851% Bonds due 2033	175,000,000	175,000,000
Class A4 4.821% Bonds due 2036	400,000,000	400,000,000
Class B 4.999% Bonds due 2033	365,519,806	365,521,488
Class C1 Floating Rate Bonds due 2022 *	195,833,490	215,416,510
Class C2 5.098% Bonds due 2035	215,000,000	215,000,000
Class D Floating Rate Bonds due 2025 *	93,750,000	111,750,000
	1,951,064,396	1,996,280,288
Fair value of interest rate derivative liabilities	53,091,356	56,065,593
	2,004,155,752	2,052,345,881

* At 31 March 2010 taking into account the effect of derivatives, 100% (2009: 100%) of the bonds were fixed. The bonds amortise between 2005 to 2036, and are secured on properties of the group valued at £1,918m (2009: £1,881m) and cash of £224m (2009: £242m). The weighted average interest rate of the bonds is 5.03% (2009: 5.03%). The weighted average maturity of the bonds is 15.9 years (2009: 16.5 years).

Broadgate Financing PLC

Notes to the accounts for the year ended 31 March 2010

9. Creditors due after one year (including borrowings.) - continued

On 2 March 2005 the company issued Bonds with a nominal value of £2,080,000,000 for proceeds of £2,080,710,056.

At 31 March 2010 the company was financed by £1,951m bonds (2009 - £1,996m).

The market value of the bonds at 31 March 2010 was £296.8m less than the book value (2009: £613.7m).

There is an undrawn 364 day revolving liquidity facility totalling £185m which is only available for requirements of the Broadgate securitisation.

The fair values of the bonds have been established by obtaining quoted market prices from brokers. The derivatives have been valued by calculating the present value of future cash flows, using appropriate market discount rates, by an independent treasury advisor.

10. Deferred tax asset

	2010	2009
	£	£
1 April 2009		
Credited to hedging and translation reserve	13,432,790	
31 March 2010	<u>13,432,790</u>	<u>-</u>

The Directors consider that a deferred tax asset, that relates primarily to timing differences arising with respect to the revaluation of interest rate derivatives, is required to be provided for in the current year.

11. Share capital

	2010	2009
	£	£
Issued share capital - allotted, called up and partly paid		
Ordinary Shares of £1 each called up to the extent of £0.25 each		
Balance as at 1 April and as at 31 March : 50,000 shares	<u>12,500</u>	<u>12,500</u>

Broadgate Financing PLC

**Notes to the accounts
for the year ended 31 March 2010**

12. Reconciliation of movements in shareholders' funds and reserves

	Share capital £	Share premium £	Revaluation reserve £	Hedging & translation reserve £	Profit and loss account £	Total £
Opening shareholders' funds (deficit)	12,500			(53,355,591)	327,994	(53,015,097)
Profit for the financial year					28,030	28,030
Dividends						
Share issues in the year						
Unrealised surplus (deficit) on revaluation of investment properties						
Unrealised surplus (deficit) on revaluation of investments						
Unrealised surplus (deficit) on revaluation of subsidiaries						
Derivative valuation movements on net investments				5,381,341		5,381,341
Taxation on hedging on translations movements				13,432,790		13,432,790
Taxation on the realisation of prior year revaluations						
Closing shareholders' funds (deficit)	12,500	-	-	(34,541,460)	356,024	(34,172,936)

Broadgate Financing PLC

Notes to the accounts for the year ended 31 March 2010

13. Capital commitments

The company had capital commitments contracted as at 31 March 2010 of £nil (2009 : £nil).

14. Contingent liabilities

The company had no contingent liabilities as at as at 31 March 2010 (2009: £nil).

15. Related parties

The company has taken advantage of the exemption granted to wholly owned subsidiaries not to disclose transactions with group companies under the provisions of Financial Reporting Standard 8.

16. Subsequent events

There have been no significant events since the year end.

17. Immediate parent and ultimate holding company

The immediate parent company is Broadgate Property Holdings Limited.

Bluebutton Properties UK Limited is the smallest and largest group for which group accounts are available and which include the company.

The ultimate holding company is Bluebutton Properties Limited (Jersey Registered), a joint venture between The British Land Company PLC and BRE/Brick Limited.

The accounts of Bluebutton Properties UK Limited can be obtained from The British Land Company PLC, York House, 45 Seymour Street, London W1H 7LX.